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NEWS SUMMARY

GENERAL

Unions plan winter pay war

Unions covering more than 2m public service workers plan an alliance to mount a direct challenge this winter to the Government on pay and cash limits.

In nationalised industries industrial action has been pledged by rail, steel and coal unions against selling holdings to the private sector, and by gas board workers against selling off showrooms.

A TUC committee will consider a common settlement date. Back Page

Unions representing British Airways workers expressed anger and opposition at Blackpool, where the TUC congress ended yesterday, to BA's plans to cut 9,000 more staff and impose a one-year pay freeze. They are planning their opposition campaign. Page 3

● Hoover has told its 9,000 UK staff they must accept a 10 per cent pay cut from January. Back Page

Soviet exercises

A big Soviet fleet in the Gdansk Bay conducted landing exercises north of the Polish border.

Ayatollah killed

Ayatollah Assadollah Madani, a Khomeini associate, and six others were killed by a grenade when he was delivering a sermon in Tabrix, Iran. Page 2

Bernadette back

Hunger-strike supporter Bernadette McAliskey, former British MP who was denied entry to Spain on Thursday, managed to give a 10-minute speech in Barcelona at a Revolutionary Communist League meeting.

Auckland protest

Auckland's mayor, Colin Kay, led 20,000 through his city in New Zealand's biggest protest against the South Africans' Rugby tour. Page 2

China's test

China tested a ballistic missile over a 1,500-mile range in the West of the country in July, it was reported in Peking.

Pre-Inca find

Three masters and seven boys from Trinity College, Glenalmond, Scotland, discovered a 1,000-year-old pre-Inca settlement of more than 70 circular buildings, unknown to archaeologists, on a seven-week expedition to Peru.

Climbers rescued

Climbers Charles Bryan, 27, from New Brighton, and Thomas Jones, 25, from Birkenhead, were rescued by helicopter from the near-vertical north face of the Eiger, in Switzerland. They had been stranded since Monday when Bryan broke his left hand.

Hot gospellers

Fourteen U.S. clergymen attending a Detroit convention were arrested in nearby Windsor, Ontario, for carrying firearms into Canada.

Sierra incident

A thousand villagers of Guejar Sierra, in the Sierra Nevada, Spain, beat, spat at, pelted with tomatoes, and held for six hours a Socialist MP who was campaigning for a national park there. They want a tourist resort.

Briefly . . .

Norway's Maj General Fredrik Bull-Hansen is to command the U.N. Sinai peace force.

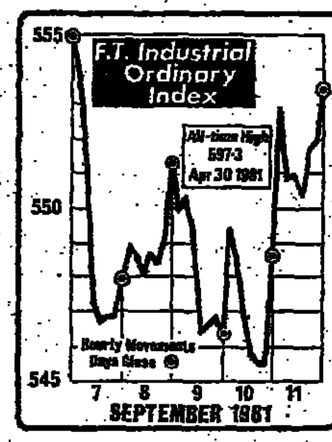
Zambia has deported about 200 illegal immigrants.

BUSINESS

Trillion dollar debt limit sought

● U.S. TREASURY asked Congress to raise its debt limit to more than $1 trillion (million million—£565bn). Top Treasury officials backed the Federal Reserve Board's tight monetary policy to dispel suggestions that the White House fears record interest rates will damage the economy.

● EQUITIES investment interest was low. The FT 30-share index rose 4.8 to 553.4. Page 22



● GILTS improved with the Government Securities Index up 0.22 at 64.25. Page 22

● WALL STREET was up 4.76 at 867.2 near the close. Page 21

● STERLING fell sharply to close in London at $1.7780, down 2.65 cents. It finished at DM 4.27 (DM 4.33) and SwFr 3.6525 (SwFr 3.7275). Its trade-weighted index fell to 87.5 (88.5), its lowest level since May 1979. Page 21

● DOLLAR rose to DM 2.401 (DM 2.3985), but eased to SwFr 2.054 (SwFr 2.065). It closed at Y231.40 (Y230.75). Its trade-weighted index rose to 110.6 (110.5). Page 21

● GOLD closed at $450, a fall of $2½ an ounce. In New York the Comex September close was 453.8. Page 21

● MARINE MIDLAND Bank lowered its prime rate to 20 per cent from 20½ per cent.

● BRITAIN is prepared to support bank finance credits of £300m for the development of Nigeria's new federal capital. Back Page

● SHELL and Esso will postpone £750m development of the Tern oilfield in the North Sea because of tax uncertainties. Back Page

● BUILDING SOCIETY net receipts fell to £244m in August, their lowest for over 12 months. Page 3

● GEC's dividend policy was attacked by shareholder Jacob Rees-Mogg, 12, son of director Sir William Rees-Mogg. Jacob cast the only vote against the 10.25p net dividend at the annual meeting. Page 3

● OLAU LINE (UK) has ordered a second large ferry costing £23m for the Britain to Holland route from West German yard AG Weser. Page 3

● VIDEO DISC system produced by Philips will not be available in UK before 1982 because of technical problems at the company's Blackburn factory. Page 3

● GLC plans to set up Greater London Enterprise Board by December 15. Page 3

● MASSEY FERGUSON Holdings made losses of £12.74m, against profits of £2.3m for the half-year to April 30. Page 16

● BSR the record player parts maker, reported pre-tax profits of £2.77m for the first half of the year, compared with £5.16m losses. Page 16; Lex, Back Page

Government gives up plan for North Sea gas-gathering system

BY SUE CAMERON

THE GOVERNMENT yesterday formally abandoned plans to build a £2.7bn gas-gathering system in the North Sea. The private sector's failure to invest enough funds in the proposed scheme was the main reason given for the decision.

The major oil companies will be left to make their own arrangements for piping the vast bulk of North Sea gas reserves ashore. The Government expressed confidence they would do so "efficiently, in accordance with the nation's needs."

The decision to abandon the pipeline project will, however, almost certainly force the British Gas Corporation to start offering the oil companies higher prices for the gas they produce.

Mr Hamish Gray, Minister of State at the Energy Department, yesterday stressed that the corporation still needed to secure its gas supplies in the longer term. It would therefore have a strong incentive to increase the prices it paid to the producers.

Some oil companies also stand to benefit from the Government's decision in terms of tax allowances. They will be able to offset the cost of building their own gas lines against Petroleum Revenue Tax—an option that would not have been open to them if they had put up money for the £2.7bn gas-gathering system.

Two of the first companies expected to gain from the axing of the project are the French-based Elf and Total. Neither has been awarded any North Sea blocks under the seventh round of licensing.

They are thought to have been excluded up to now because of their determination to put gas from the North Alwyn field through their own existing Frigg gas-line rather than through the proposed gas-gathering network. The two can now hope to be awarded seventh-round licences.

Operators with interests in some of the North Sea's northerly fields — including Thistle, Magnus and Murchison —are expected to be among the first to make arrangements for building their own gas-collection system.

The pipeline project—originally approved by the Government in principle last summer—has been firmly backed by the Energy Department and the Scottish Office. It has been dogged, however, by delays as a result of arguments over funding.

Mr Gray said the private sector had failed to offer even 50 per cent of the money that would have been required. The Government had hoped it would provide 70 per cent.

The possibility of funding the pipeline project with the aid of Government guarantees for bank loans was successfully vetoed by Treasury Ministers at a meeting attended by the Prime Minister on Thursday.

The Treasury feared the Government could ultimately be forced to foot the bill for the entire scheme.

The pipeline project would have helped guarantee thousands of jobs in the UK's steel and process-plant industries. Mr Gray said however that there was no reason UK supply industries should not benefit from the orders that would come in when the oil companies started building their own pipelines.

"I am disappointed at the decision," Mr Gray said. "We had hoped private-sector companies would have participated in the scheme but the concessions and terms they were asking from the Government to do so were unacceptable.

"The oil companies wanted tax concessions before they would join the scheme and they also wanted to negotiate an improved gas-pricing regime."

Mr Gray said generally increased tax concessions on the scale the oil companies had demanded was a "non-starter." A new gas-pricing regime was however "achievable."

Why Mrs Thatcher's patience ran out, Page 14
Shell and Esso postpone Tern oilfield, Back Page

Polish hardliners launch campaign against union

BY CHRISTOPHER BOBINSKI IN WARSAW

THE WARSAW branch of the Polish Communist Party yesterday gave the signal for a major campaign against the Solidarity union following the first part of the movement's congress in Gdansk.

The congress adopted radical resolutions calling for free parliamentary and local elections, free trade unions throughout Eastern Europe and endorsed the general politicisation of the 10m-strong union.

"The congress proceedings confirmed Solidarity is developing into a political and social movement aiming at a counter-revolutionary change of the system," said a statement issued by the Warsaw Party executive.

"We have the strength to counter this wave of hatred and irresponsible action, aimed at the national interest. Let's organise to fight in defence of a socialist Poland."

The Warsaw organisation is dominated by hardliners and is one of the most powerful in the country. It is headed by Stanislaw Kociolek, a close ally of Mr Stanislaw Kania, the national party leader.

The Soviet Union also launched a domestic propaganda offensive against Solidarity, calling meetings of workers all over the country.

The meetings were ordered ostensibly to approve an open letter telling Poles to resist Solidarity.

The letter, sent following a week of official condemnation from the Kremlin, said Solidarity has "discredited all camouflage and calls directly for a counter-revolution."

Solidarity's self-confidence, however, reinforced during its congress, showed no signs of waning. The leader of Szczecin (Stettin) branch said in an interview yesterday that he thought the union now had the people capable of forming a new national government.

The Government, meanwhile, still hopes that a confrontation can be avoided between the 10m members of the union and the 3m members of the ruling Communist Party.

An official commentary broadcast yesterday said: "We must hope that the second part of the congress (later this month) will be marked by political realism and a sense of responsibility."

The authorities condemned the call for free unions elsewhere in the Soviet bloc as "interference in the interal affairs of other Socialist countries."

CBI headquarters drafts Knight

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

SIR ARTHUR KNIGHT, former chairman of Courtaulds and the National Enterprise Board, has been drafted into the headquarters of the Confederation of British Industry to help run the organisation and prepare for its annual conference.

He started work at the beginning of this week at the request of Sir Raymond Pennock, the president, to take over some of the work of Sir Terence Beckett, the director general, who is away ill.

Sir Terence, 57, was taken ill while on holiday in Edinburgh last month. He is resting at home after a period in hospital.

CBI leaders hope that he will be back at work in time for their annual conference which opens at Eastbourne on November 2. No date has been fixed for his return.

Sir Terence was appointed director-general a year ago this week, in succession to the late Sir John Methven. At the CBI conference in November he threatened a "bare knuckle fight" with the Government over the state of the economy. Since then he has had the difficult job of satisfying the conflict between his members' loyalty to the Government and their frustrations over its policies.

The Eastbourne conference will provide a major test for Sir Terence's leadership at a time when manufacturing industry can see no end to the recession, and when a fresh spate of redundancies and factory closures are being announced after the summer holidays.

Sir Arthur Knight, who is 64, resigned suddenly last November from the chairmanship of the NEB (now part of the British Technology Group) for personal reasons, believed to concern his health.

Like Sir Raymond and Sir Terence, he is more critical of the Government's economic stance than many CBI members are prepared to see declared publicly. Along with Sir Terence, he also believes more in an interventionist industrial policy than either the Government and/or most CBI members.

At the CBI's Centre Point headquarters in London he is working in Sir Terence's offices, helping to prepare policy documents for the conference.

He is also advising Sir Raymond who is spending more time at BICC, of which he is chairman.

£ in New York

	Sept. 10	Previous
Spot	$1.7970-7980	$1.7930-7940
1 month	0.60-0.67 pm	0.55-0.62 pm
3 months	1.90-2.00pm	1.90-2.00 pm
12 months	6.40-6.60 pm	6.70-6.90 pm

UK and France to reconsider Channel tunnel

BY RICHARD EVANS, LOBBY EDITOR AND ROBERT MAUTHNER

BRITAIN and France are to launch talks within a month on the feasibility of building a Channel tunnel it was agreed at the two-day summit in London between Mrs Margaret Thatcher and President Francois Mitterrand of France, which ended yesterday.

Both leaders expressed enthusiasm for a tunnel, which has been under consideration in various forms for more than a century, but Mrs Thatcher emphasised that on the British side there was no question of involving Government funds. It would all have to be financed by the private sector.

The tunnel studies were the most dramatic outcome of the talks, but probably more important was the good relationship that appears to have developed between the leaders.

The Prime Minister said their meeting had been the "happiest and most fruitful bilateral talks" between the two countries since Britain joined the European Community.

At a joint Press conference after their lunch at Downing Street, she described the tête-à-tête discussions as "very friendly and very constructive."

M Mitterrand, though less effusive, gave every indication that he, too, was pleased with the atmosphere of the talks which, he said, had been "fruitful, useful and precise."

However, neither side made any attempt to deny that the long-standing differences between them over a number of important EEC problems, such as the Community's budget and the reform of the common farm policy, were still substantial.

What has encouraged British officials is the constructive and flexible attitude adopted by M Mitterrand. The commitment to draw up firm proposals in time for the next EEC summit meeting in London at the end of November appears to have been reaffirmed by the French President.

"We do not necessarily have the same objectives on the reforms, but we agree that a discussion must take place in order to overcome our differences," M Mitterrand said at the Press conference.

That said, the President made it clear that France would stubbornly defend its interests in the forthcoming Community negotiations. Farm surpluses and the Community's budgetary mechanism were not the only areas in which reforms were required.

The surpluses could not be separated from matters such as imports from outside the Community, M Mitterrand said in an obvious dig at Britain.

It was clear, too, that, while Mrs Thatcher concentrated

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October meeting on future of Concorde, Page 3

Guinness Peat reports £12.9m slide in profits

BY JEREMY STONE

GUINNESS PEAT, the international trading and financial group, yesterday cut its final dividend by 70 per cent and reported that pre-tax profits had fallen from £15.7m in the year to April 30 1980 to £2.8m in 1980-81 before taking into account disclosed banking profits of £2.2m after tax.

In 1979-80, an exceptionally lush year for commodity traders, Guinness Peat made £13m in commodities, the company's biggest trading sector. Last year, as well as having to cope with what Guinness Peat describes as a "dull period" in commodities, the group came unstuck in the U.S. where it made a loss of about £4m in one of its commodity trading operations.

Mr Edmund Dell, who was Trade Secretary in the Labour Government from 1976 to 1978, and who took over as Guinness Peat chairman from Lord Kissin in 1979, said yesterday the group's results were also adversely affected by the poor performance of its industrial and chemical interests in the UK.

"We will continue closing and selling things in order to make our activities more productive. The group will have to be more careful about the level of dividend in future."

Except in commodities, trading in the first three months of the current year was better than a year ago. "Not to have paid a dividend at all would have been far too pessimistic a signal to give the market," Mr Dell said.

Earlier this week Guinness Peat raised £12.3m by selling its 20 per cent stake in Linfood Holdings, the cash and carry Spar, VG and Carrefour grocery group.

Details, Page 16

Directors fired in row over expenses

BY REG VAUGHAN

A ROW over extravagant expenses incurred by the directors of a medium-sized Yokshire-based engineering company took place in the City of London yesterday afternoon. At its conclusion, two directors, including the former chief executive, had lost their seats on the board.

The resolutions before the packed meeting of F. Pratt Engineering Corporation of Halifax — at which advisers, lawyers and press outnumbered shareholders—were for the removal from the board of the flamboyant Mr Maurice James, semi-retired chairman of Maurice James Industries, and 33-year-old Mr Tertius Murray Threipland, Pratt's former chief executive.

Both were dismissed from the board on a show of hands, including the support of Mr Leslie Davies, deputy managing director of the 600 Group, the engineering company which took a 27 per cent stake in Pratt earlier this year.

At the two-hour meeting, which was punctuated by claim and counter claim, the ousted board members claimed that Pratt was "another example of the shameful face of capitalism." At the same time, Mr Bill Friggens, group chairman, hit out at what he described as Mr Threipland's "extravagances" and at the "disruptive and disloyal" influence of him and Mr James.

Mr Friggens replied to criticism of the board's spending by attacking Mr Threipland's own expenses, which had totalled £103,000 over the past three years. The chairman also referred to the purchase of a £32,500 Mercedes car by Mr Threipland.

Shareholders were told that accountants Ernst and Whinney —commissioned by the board to investigate the expenditure of directors during 1980—are still in the process of completing their report. The chairman said the delay had arisen because "of lack of information from Mr Threipland and Mr Galliers-Pratt." (The former chairman and now president.)

At the beginning of the meeting, Mr James, who joined the board at the start of the year with the task of cutting costs quickly, got into his stride.

Mr James, who has claimed that savings of over £400,000 had already been achieved at the company, said he was "certain the company will be the subject of an inquiry by the Department of Trade and Inland

Continued on Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Exchq. 12pc 13-17	£86½	+ ⅛
Abbey Panels	73	+ 7
Allen Harvey Ross	335	+ 10
BSR	75	+ 11
Blue Circle	514	+ 10
British Aerospace	231	+ 6
Cantors A	44	+ 4
Channel Tunnel	168	+ 21
Clark (M.)	172	+ 38
Elliott (B.)	152	+ 8
Elys (Wimbledon)	285	+ 18
Finlan (J.)	178	+ 9
Grant Brothers	196	+ 53
Lex Service	124	+ 5
Parrish (J. T.)	185	+ 25
Prudential	239	+ 6
Racal Elect.	453	+ 7
Sedgwick	159	+ 4
Turner and Newall	98	+ 5
KCA Intnl.	130	+ 10
Gencor	£12	+ ¼
Mount Carrington	34	+ 4
Rustenburg Plat.	310	+ 30
Tanks Con.	332	+ 15
Vaal Reefs	£39½	+ 1½
Western Mining	314	+ 11

FALLS

Business Computers	115	− 15
Change Wares	19	− 9
Guinness Peat	84	− 3
Home Counties	65	− 5
Yule Catto	70	− 8
Hemerdon	53	− 5
Metals Expl.	45	− 5

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OVERSEAS NEWS

One of Iran's most influential clergymen is assassinated in Tabriz

Madani dies in grenade attack

BY OUR FOREIGN STAFF

IRAN'S CLERICAL regime suffered another blow yesterday when Ayatollah Assadollah Madani was killed by a grenade hurled at him as he delivered a sermon in Tabriz, the capital of the Turkish-speaking province of Azerbaijan.

Ayatollah Madani, who was the Friday prayer leader in Tabriz, and a trusted lieutenant of Ayatollah Khomeini, was delivering his weekly sermon when the attack took place. He was taken to hospital but died while undergoing surgery, according to the official Pars news agency.

Six others in the crowded main square were killed and 12 were wounded, Tehran Radio reported. The assassin was killed on the spot.

The latest in the series of assassinations—which late last month accounted for the lives of President Ali Rajai and his Premier, Mr Javad Bahonar—were perpetrated in a city where there is widespread resentment against the ruling Islamic Revolutionary Party.

The spiritual leader of the Azerbaijan community is Ayatollah Kazem Shariatmadari, who withdrew his allegiance from Ayatollah Khomeini after the seizure of the U.S. Embassy in Tehran in November 1979 and has been under virtual house arrest ever since.

It was assumed that the assassin was a member of the Mojahedin-e-Khalq, the left-wing Islamic opposition group, but no communiqué was issued by the movement claiming responsibility.

For the second time in three days, however, its members took to the streets of Tehran in force to challenge the Revolutionary Guards and other security forces of Khomeini's regime. Shooting broke out in several parts of the city.

Spokesmen for the Mojahedin-e-Khalq in London and Paris said that the open demonstration of force by its members in Tehran on Wednesday marked a new stage in the struggle against the regime.

Happy horse trading with the Soviets

By Our Moscow Correspondent

THERE WERE liberal, if not lavish helpings of free vodka for the handful of western buyers attending the autumn horse auction on the Soviet stud farm Gorki 10 last week.

The Soviet foreign trade organisation V/O Prodintorg, had a clear interest in keeping the bidders in a good mood. Western traders who make the annual trip to the village of Uspenskoe outside Moscow are few and the stud managers rely on them to dictate price levels.

The 110 thoroughbreds offered this time sold at prices from $1,000 to $8,000 a head, mainly to Italian, West German, Finnish and Austrian traders.

Top price was paid for a three-year-old bay colt from a distinguished family. Of the Akhal-Teke breed, he is a grandson of Absent, on which a Soviet rider won a gold medal at the Rome Olympics. The horse went to Italy for $7,800.

Western buyers who attend Soviet horse sales, held twice-yearly in Uspenskoe and also in Kiev, Rostov-on-Don, Ukraine and the Caucasus, usually have other business interests in Russia. They often view their deals at the auctions as sidelines which help maintain good relations for other, more mundane trade with Prodintorg.

The main buyer at last week's sale, for example, was one Sig la Torre, representing the Italian company, Balazarini. He usually buys Soviet horseflesh for the butcher's shop rather than the show-ring.

The USSR exports around 40,000 horses a year for meat and only around 1,000 to 2,000 for sport.

Sig la Torre bought 40 thoroughbreds last week and a Munich buyer, Herr Karl Fraundorfer, who sells beef to the Soviets, took a further 25.

Soviet horses are rated in the West as extremely robust and of good character. Even if they are not normally considered good enough to compete on the race tracks, many are liked for show-jumping, dressage and hunting.

"One rarely finds a Soviet horse that bites and kicks a lot," says Herr Fraundorfer, who has been coming to the sales for 10 years. The reason, he adds, is that the Soviet state farms are much quicker to eliminate strains with bad characteristics. Private breeders may hesitate to reject expensive animals just because of a family history of bad manners.

There were several Arabs up for sale this time, but most interest focused on the Akhal-Teke breed originating from farms in the Caucasus and Turkmenistan. This horse is reportedly very pure and liked for its perseverance and fine looks.

Western buyers are also keen on Trakenen breed horses from the Baltic states. The best farm there seems to be Kaliningradsky (Koenigsberg) Stud, which keeps up the tradition of the German Trakenen farm.

Originally founded in 1732, the farm had to be abandoned in the winter of 1944-45 as the Red Army advanced. It recovered after the war, however, and the army now maintains this and other studs which are said to be among the best in the country.

One of the best known is named after Marshal Semyon Budyonny, the late commander-in-chief of the Soviet cavalry who has been credited with establishing Russia as a force in horse breeding.

Zambia accuses Pretoria of attack

By Our Foreign Staff

ZAMBIA yesterday accused South Africa of attacking civilian and military targets on the country's border with Namibia.

The Government told the official Zambia News Agency that the Sesheke border post on the Zambesi River which forms the boundary with Namibia's Caprivi zone, was attacked at mid-day on Wednesday by South African jet fighters, four armoured cars and small arms.

The South African Defence Force said Zambian soldiers had opened fire on an observation post across the border and the fire was returned. "Eventually the two sides decided they had had enough fun and games, and stopped it."

There were no casualties reported in what is the first such incident for months. President Kenneth Kaunda's Government gives diplomatic backing to the South-west Africa People's Organisation (Swapo) but, unlike Angola, does not provide staging posts for incursions into Namibia by Swapo guerrillas.

In Lagos, South Africa's invasion of Angola was expected to be the main item on the agenda of the meeting of the presidents of African frontline states, scheduled to open yesterday.

At the United Nations, voting was to take place late last night on a resolution condemning the South African role in Namibia. The resolution before the General Assembly's emergency session was watered down yesterday to try to win greater backing.

A call for comprehensive mandatory economic sanctions against South Africa was modified and is sure to be adopted. However, only the Security Council can apply sanctions, which the U.S. would veto.

Japanese steel spending to rise by 34%

BY RICHARD C. HANSON IN TOKYO

JAPAN'S STEEL industry will spend Y830bn (£1.9bn) on plant and equipment this year—34 per cent higher than the last fiscal year — mainly to expand capacity in fast-growing product areas and make further savings in energy consumption.

This represents the highest level of spending since the mid-1970s when the last expansion programmes started.

The steel industry is emerging from several years of cautious spending in reaction to a protracted worldwide slump in steel demand.

Production this year is expected to drop to a nine-year low of 102m tonnes, down 5m tonnes from 1980. Peak output, in 1974, was 120m tonnes of crude steel.

The emerging strategy is to concentrate investment in areas where world demand is growing faster than current capacity. This is particularly true for seamless pipe production, for use in gas and oil exploration and development, which accounts for a large amount of planned expenditure.

Japan has about half the world's seamless pipe capacity—at 4m tonnes a year—and companies expect to expand this by 50 per cent over the next year or two.

They are also building up capacity in other specialised steel product ranges. This is seen as one means of coping with increasing competition from neighbouring South Korea and others in traditional lines such as hot rolled coils and plate.

A large amount of money is also being spent to achieve even higher levels of energy efficiency. This is mostly through wider use of continuous casting of steel. Japan has a continuous casting ratio of more than 80 per cent compared with about 20 per cent in the U.S., giving Japan the highest yields of finished product from crude steel in the world.

Spending plans this year are typified by Nippon Steel, the world's largest integrated steel maker. Of the Y210bn it will spend on plant and equipment (compared with Y165bn last year), Y80bn is earmarked for a new seamless pipe plant at its Yawata works. Another Y24bn will go for continuous casting in Yawata, and Y10bn on an electric zinc coating line.

The "big five" makers (Nippon Steel, Nippon Kokan, Kawasaki, Sumitomo Metal Industries and Kobe) plan to spend a total of Y639.2bn, compared with Y448.6bn last year.

Privilege ruling a relief for Mrs Gandhi

BY K. K. SHARMA IN NEW DELHI

THE BELEAGURED Congress Party of India's Prime Minister Mrs Indira Gandhi, won a slight reprieve yesterday when the chairman of the upper house of parliament rejected Opposition motions charging the Finance Minister, Mr R Venkataraman, with breach of privilege.

The motions alleged that Mr Venkataraman deliberately misled the house when he said last week that Mrs Gandhi had not consented to the use of her name by the Chief Minister of Maharashtra, Mr A. R. Antulay, in forming a controversial trust.

Mr Antulay, hand-picked for the important Chief Minister's post by Mrs Gandhi, has been the centre of what has developed into a major scandal since he admitted in the Maharashtra legislature on Thursday that he formed trusts for raising funds for various purposes, including finances for the ruling Congress Party. The funds were extracted from businessmen and others for favours in distribution of cement and other items.

Mrs Gandhi's name has been brought in because Mr Antulay named one trust after her and another after her late son, Sanjay. When the matter was raised in Parliament last week, the Finance Minister said he had been told "on reliable authority" that the Prime Minister had not given permission to link her name with the trust.

The Opposition gave notice of breach of privilege in both Houses of Parliament when the English language Indian Express published a photograph of Mrs Gandhi the next day showing her presiding over a function when the trust was launched.

Since then, both houses of parliament have been in uproar every day as Opposition members pressed the presiding officers to accept motions of breach of privilege either against the Finance Minister or the Indian Express. Admission of either would have led to a major Parliamentary probe into the trusts and the manner in which party funds have been raised.

Mrs Gandhi is not quite out of the woods, since the speaker of the lower house has still to rule on the motion against the Indian Express.

Meanwhile, Mr Antulay has sent a letter of resignation to Mrs Gandhi who is expected to forward it to the Governor of the state for acceptance.

Seoul fails to persuade Japan on $6bn aid plea

BY ANN CHARTERS IN SEOUL

JAPAN and South Korea have again failed to agree on a Korean request for $6bn (£3.3bn) bilateral aid over the next five years.

The discussions were between Mr Lho Shin Yong, the South Korean Foreign Minister, and Mr Sunao Sonoda, his Japanese counterpart, and followed talks several weeks ago in Tokyo.

This time, however, a Press release issued after the two-day session indicated that Japan would help South Korea as much as possible within the limits of its policies.

The South Korean Government has publicly tied its request for Japanese aid to Korean defence outlays, which represent 35 per cent of the national budget, maintaining that Japan benefits from the regional stability that Korea's expenditure provides.

The Japanese Government rejected any link between aid and security in the Tokyo talks. In today's statement, it agreed that South Korean security is important to Japan, as is peace in the north-east Asian region.

At issue for Korea is its $18bn trade imbalance with Japan. Increased U.S. pressure on Japan to make new commitments to maintaining regional stability is cited as another reason why Korea may receive more aid.

Kielland victims' families to fight scuttling plan

BY FAY GJESTER IN OSLO

RELATIVES of those who died in the Alexander Kielland "hotel" disaster in the North Sea 18 months ago will strongly resist any proposal to scuttle the platform in deep water, Norway's Government was told yesterday.

They want it towed to shallow water and dismantled so that the bodies of missing victims can be recovered and the structure examined to see why it capsized, killing 123 people.

The warning about its fate came from a merchant navy captain, Mr Ivar Garberg, following a report by a Government appointed committee of experts which has been considering various salvage plans. Captain Garberg attended the committee meetings as a representative of the victims' families.

In the report handed to the Shipping Ministry yesterday, the committee — comprising three professors and a trade union official—goes beyond its mandate by recommending that efforts to turn the Kielland should be abandoned as too expensive, although probably still technically feasible. It suggests salvaging the platform's struts and pontoons for their scrap value and sinking the superstructure in deep water.

Captain Garberg disagrees with the committee's conclusion that no worthwhile evidence about the causes of the disaster would be lost if the superstructure was scuttled. He says that if anyone tries to move the rig with a view to sinking it, the relatives will seek an injunction.

Finnish crisis averted

By Lance Keyworth in Helsinki

FINLAND'S impending Government crisis was averted yesterday when the four parties in the coalition Cabinet reached a compromise on bridging the deficit in the 1982 budget bill, ending a week of inter-party wrangling and late-night sittings for the Cabinet.

Ministers conceded that a factor which speeded up their agreement was the news that President Urho Kekkonen, 80, must stop work for one month as he has a cold and a respiratory infection.

Mr Mauno Koivisto, the Prime Minister, will deputise for the President until October 10.

An official statement said a group of four Ministers, headed by centrist Finance Minister Mr Ahti Pekkala, would work out final details of the budget.

The government was divided for a week with the centrists demanding a form of sales tax to cover a FM 1.2bn (£145m) deficit. Leftwingers wanted instead a tax on electricity and increased child benefits.

Mr Kekkonen . . . resting

Springboks await final protest

By Dai Hayward in Wellington

ON THE EVE of the final Springbok rugby test against the All Blacks in Auckland today, New Zealand saw its largest anti-tour protest—and its most peaceful.

Led by Mr Colin Kay, the Mayor of Auckland, 20,000 people marched through Auckland's main street in a demonstration against South Africa.

By arrangement with police, there were no riot squads or batons in sight, and the marchers avoided any confrontation. Many artists and show-business people brought a carnival atmosphere to the march, with street theatre groups and posters showing huge caricatures of Prime Minister Robert Muldoon and Mr Cec Blazey, the Rugby Union chief.

At the rear of the procession, marchers carried letters of fire, six feet high, spelling the name of Steve Biko, the anti-apartheid campaigner who died in South African police custody four years ago.

The Springbok players did not see the march. They were locked inside the rugby stadium, Eden Park. Guarded by several hundred police, barbed wire and steel barricades, the players moved secretly into the park yesterday afternoon. They slept on beds set up under the grandstand.

Protest groups are determined to mount a last massive protest today against the tour. They plan three assaults against more than 3,000 police—nearly half New Zealand's police force—guarding Eden Park.

They are calling on supporters to drive into the roads leading to Eden Park to create traffic jams to stop fans getting to the game.

Last night protesters were collecting old mattresses to throw over the barbed-wire blocking roads leading to the park. Inside, more rolls of barbed wire 6 ft high and 6 ft wide separate the field from the spectators.

Mr Naas Botha, a star Springbok player surprisingly expressed considerable sympathy with some anti-apartheid sentiments. He felt most New Zealanders did not fully understand apartheid, but agreed with many of the sentiments expressed during an hour-long discussion with a New Zealand anti-apartheid protester on national television.

When asked if he thought the demonstrations would help to persuade the South African Government and rugby officials to change their policies, he said: "I hope so. I think it will. I hope they will open all clubs at all levels to non-whites. That will be a great thing."

Portuguese industrialists warn on EEC

By Diana Smith in Lisbon

PORTUGAL'S industrialists are opposed to entry into the European Common Market unless their country's economic structures are rapidly and radically altered.

This was announced by the president of the Confederation of Portuguese Industry, Sr Pedro Ferraz Da Costa, a few days before the second coalition government of Sr Francisco Pinto Balsemao presents its new programme to Parliament.

In principle, Portugal is due to accede to the EEC in 1984. Sr Ferraz Da Costa said that the economy was shackled by the Marxist content of the 1976 constitution, which must be altered now. Furthermore, he said, a punitive price control system discouraged private initiative and encouraged unfair competition from state-owned lame ducks fed by subsidies.

In the state-owned banking system, said Sr Ferraz Da Costa, bureaucratic atrophy was strangling private enterprise.

Moscow likely to award £1.8bn gas contract soon

BY OUR MOSCOW CORRESPONDENT

THE SOVIET UNION is expected to award a possible DM 8bn (£1.8bn) contract to supply 41 compressor stations for the proposed Siberia-Western Europe natural gas pipeline within the next few weeks, according to a senior West German businessman.

Herr Peter Schreiber, a director of AEG Telefunken, said his company—with its state-owned partner, Salzgitter—is bidding to be general contractor for the project. It would have to subcontract a substantial portion of the work because it could manufacture only about half the stations within the deadline. The Soviet Union wants to get the pipeline operating by 1984.

The subcontracted business would go to other West European concerns.

Herr Schreiber said his company has also made an offer to instal the pipeline communication system, an order that could be worth DM 300m.

He would not comment on separate gas price talks going on between the Soviet Ministry of Gas and Ruhrgas of West Germany, but said the Soviet Union has "all intentions to go ahead with the project."

He estimated it would take two years to manufacture the compressors in several factories and another two to complete the engineering work on site, enabling Soviet gas to reach Western Europe within the deadline.

Four weeks ago, West German banks reached agreement with the Soviet Union on financing the stations and are prepared to offer a DM 4bn credit line that can be increased to DM 5bn. This would cover the 20 stations Telefunken could manufacture. Additional financing would have to be provided by parties joining as subcontractors, Herr Schreiber said.

Demonstrations break out in Cairo

By Anthony McDermott in Cairo

TWO DEMONSTRATIONS involving hundreds of people were broken up outside two mosques in northern Cairo after prayers yesterday.

Tear gas was used against demonstrators crying "God is great," outside Al-nour mosque, in protest against Mr Sadat's measures. The government preacher there was interrupted during his sermon.

Outside Ain Hayat mosque, where until his arrest last week the blind Sheikh Abdel-Hamid Kishk used to attract many to his sermons, riot police broke up a march of several hundred demonstrators.

Yesterday's demonstrations were on a smaller scale than those of a week ago. They came on the same day as the official announcement of the result of the referendum held on Thursday on Mr Sadat's measures. Of those who voted—11m out of an electorate of 12.4m, according to the Interior Ministry—99.45 per cent were in favour.

Hong Kong hints at credit squeeze to cool economy

BY OUR FOREIGN EDITOR

HONG KONG'S Financial Secretary, Mr John Bremridge, hinted for the first time yesterday that the Government may restrict the growth in credit that is fuelling an aggressive property boom on the colony.

Mr Bremridge, delivering his mid-year state of the economy address, said: "If we can contrive a simple and effective system of controlling credit in Hong Kong, which does not have undesirable side effects, we will consider its introduction into legislative process."

Total loans and advances in Hong Kong in the first half of this year were 60 per cent higher than the same period last year, but the authorities have so far fought shy of controlling credit, for fear of damaging the colony's growing reputation as a financial centre.

But foreign companies operating in Hong Kong have threatened to withdraw to other Asian centres in the face of rocketing housing rentals, now the highest in Asia.

Mr Bremridge hinted further that interest rates, currently at a record 18 per cent might be adjusted. In the past the Financial Secretary has insisted that interest rates would not become an instrument in any battle against inflation. But he said yesterday: "It must be accepted that the situation in terms simply of inflation might demand them (interest rate rises)."

President seeks cure for Mexico's 'cancer'

BY WILLIAM CHISLETT IN MEXICO CITY

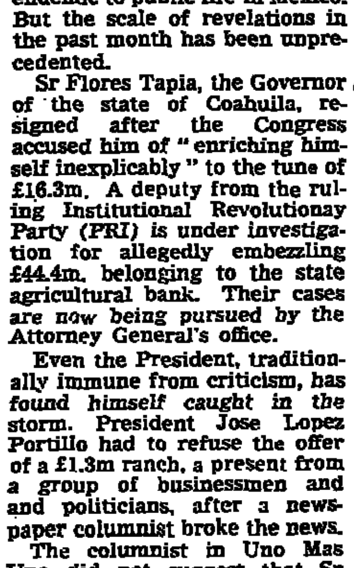
CORRUPTION HAS long been endemic to public life in Mexico. But the scale of revelations in the past month has been unprecedented.

Sr Flores Tapia, the Governor of the state of Coahuila, resigned after the Congress accused him of "enriching himself inexplicably" to the tune of £16.3m. A deputy from the ruling Institutional Revolutionary Party (PRI) is under investigation for allegedly embezzling £44.4m, belonging to the state agricultural bank. Their cases are now being pursued by the Attorney General's office.

Even the President, traditionally immune from criticism, has found himself caught in the storm. President Jose Lopez Portillo had to refuse the offer of a £1.3m ranch, a present from a group of businessmen and politicians, after a newspaper columnist broke the news.

The columnist in Uno Mas Uno did not suggest that Sr Lopez Portillo was being corrupt in accepting the sumptuous gift. However, he did say that to take the 150-acre farm would tarnish the image of the Presidency at a time when a good example was needed from the top.

Not only did Sr Lopez Portillo make public his decision to reject the gift, now known colloquially as "the ranch of temptation," but he also asked the Congress to legislate against officials receiving presents.



Mr Lopez-Portillo

Both moves are unheard of in Mexico. The President's standing with the public has risen as a result. Sr Lopez Portillo like all his predecessors, says he will fight corruption, which has become worse than ever due to the fact that Mexico's oil has made it much richer.

He compares corruption to a "cancer which runs the risk of devouring Mexico if we do not succeed in controlling it." But corruption is so intimately bound up with Mexican politics that to instigate a major purge could severely upset the remarkably stable system, which has been dominated for 52 years by the PRI.

There is no law regulating the conflict of interests in Mexico. Senior government officials maintain interests in private companies, which often win government contracts. Politicians and civil servants are able to mask their participation in such companies by holding bearers' shares, which are anonymous.

Gifts to woo politicians and speed up the cumbersome bureaucracy are a long established tradition.

A British businessman tried in vain to get an import licence for months, while the Commerce Ministry kept dragging its feet. Finally, he asked the Mexican partner in his joint venture company to have a word with an official. The permit came through the same day, but the Mexican had to loan his private jet to the official for a weekend.

Nepotism is another feature of Mexican public life. The President's 28-year-old son is a vice-Minister for Planning. His sister is in charge of the State run television and radio system and a nephew heads the State airline company.

A European diplomat likens the Mexican system to a "pyramid of patronage," in which public sector jobs are designated in a descending chain of command.

The Mexican Civil Service is not a profession as it is in Britain. It is full of political appointees, who change every six years when a new President takes office.

The Government is now in its fifth year — a time when officials, many poorly paid, feather their nests more than ever, since there is no guarantee of a job in the next administration.

It is, however, a fairly democratic form of corruption since it extends throughout the public sector. A traffic policeman, for example, will usually waive a fine in exchange for a 100 peso (£2) "mordida," or "bite." The policeman passes on part of the bribe to his immediate boss, to ensure that he keeps his good beat, and so on.

A senior Mexican banker even goes as far as to say, far fetched as it may seem, that corruption has been more effective in distributing wealth than the Government's economic policies.

But it is now widely accepted that corruption has got out of control and officials have become too greedy. When elections are held for a new governor last month in the state of Coahuila after Sr Tapia resigned, 70 per cent of the electorate showed their disenchantment with the political system by abstaining from voting. This was one of the highest abstention rates ever. The PRI candidate still won, but with little legitimacy.

The Attorney General has charged 2,360 officials with illicit operations involving public money in the past five years and recovered some 4.5bn pesos (£100m) in misappropriated funds. The Government has closed the loophole in the Law of Responsibilities, which allowed officials, charged with fiscal offences, to be released after returning the misappropriated funds.

But it has not stopped the time-honoured practice of paying many Mexican journalists part of their salary. Such journalists can expect a regular "envelope" from the Ministry or Government department they cover, as well as other perks. Mexican reporters covering this year's banking convention were given £100 petrobonds and gold medallions by the Finance Ministry.

Newspaper publishers pay their journalists badly and are quite happy to see the Government make up the balance. The Government, for its part, is able to keep a tame Press which, from self-interest, does not pry too deeply into corruption.

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UK NEWS

Goodison calls on CSI to look into rapid takeovers

BY CHRISTINE MOIR

MR NICHOLAS GOODISON, chairman of the Stock Exchange, said yesterday he thought the Council for the Securities Industry, the City's overall watchdog, should look at the implications of rapid takeovers, like that of Guthrie Corporation on Tuesday, which were completed before the company could produce its defence.

Mr Goodison stressed, however, that "a very good case would need to be made out for a change in the rules" since further rules would probably restrict market freedom further.

The National Equity Corporation of Malaysia bought over 50 per cent of Guthrie in four hours on Tuesday. First it acquired 42 per cent by way of a series of market strikes then, as the CSI and Take-over Panel rules require, announced a full bid for the remainder.

The price, 40 per cent above that prevailing in the market, produced more sellers taking the bidder's stake to over 50 per cent.

In two other cases recently—that of Amalgamated Power Engineering and Law Land—substantial market purchases provided the bases for take-over bids which were effective before the defending Boards had time to issue opinions or guidance to shareholders.

Mr Goodison said the recent rules introduced by the CSI to govern rapid purchases of more than 15 per cent of a company were designed "to provide a period during which Boards could comment on attempts to secure effective control."

There was some concern that the latest manouvres got round the principle of those rules. However, Mr Goodison warned: "We have to be very careful before introducing yet more rules and anyway one can never legislate for exceptions."

The CSI confirmed that the recent cases would "almost inevitably" be discussed at the next council meeting on September 24.

It also stressed that further changes in the rules would have to be carefully weighted up.

Mr Goodison and the CSI said the problems arose because of the concentration of control of British securities in the hands of a few institutions.

Mr Goodison said this concentration of power at the expense of small shareholders was due to "chronic inflation and decades of Government tax policy."

He has repeatedly asked the Treasury to consider equal tax treatment for individual investors, a subject to which he is likely to return next month in his Mansion House speech to the Chancellor.

Jobless total will continue to rise, says Prior

By Mark Meredith, Scottish Correspondent

MR JAMES PRIOR, the Employment Secretary, said yesterday that economic recovery would be a long, hard struggle and "unemployment figures will continue to rise for some months after an upturn in production."

During a visit to Scotland, he said there were signs that it was coming through the recession better than other parts of the United Kingdom. "There has been a great deal of fighting-back spirit here by management and workers. This is starting to show through in new industries moving into Scotland."

After talks with the Scottish TUC, Mr Prior said he had found more understanding of the country's economic difficulties by the trade unions. "There is a greater willingness to co-operate than for many years and this has been reflected in the strike and productivity figures."

Sainsbury goes into cosmetics

THE J. Sainsbury supermarket chain yesterday launched its own range of cosmetics and beauty products, called the "J" range.

The move is part of an increasing attempt by supermarkets to break into the cosmetic trade at present dominated by Boots. Earlier this week the Safeway supermarket chain also launched its own-label brand of cosmetics.

Oxley Press to axe 29 jobs

OXLEY PRESS (Nottingham), a subsidiary of the loss-making Oxley Printing Group which went into receivership last month, is to axe 29 jobs.

Receiver Touche Ross said yesterday that redundancies were necessary to minimise the company's losses and improve its prospects of being sold.

IRA backers in U.S. raise record sum

PROVISIONAL IRA supporters in the U.S. raised a record $250,000 (£139,000) in the first half of this year, it was disclosed in Washington yesterday. The previous best trans-Atlantic contribution for IRA coffers was $172,000 dollars nine years ago.

The figures have come to light because of a U.S. law requiring all foreign agencies to register their financial position. It is feared some of the cash collected could have remained undisclosed.

Raleigh faces pollution claim

TI RALEIGH, the Nottingham cycle company, is to face a claim for compensation from the Severn Trent Water Authority following serious oil pollution of the River Trent earlier this year.

Benn in surprise appeal to Liberals to join Labour

BY RICHARD EVANS, LOBBY EDITOR

MR TONY BENN, a contender for Labour's deputy leadership, last night urged Liberals to join the Labour Party now that it had "rediscovered its old vision, its old campaigning energy and is making itself more democratic."

His surprise call, made in his Bristol South East constituency, was seen by Liberals as an attempt to sow dissension between them and the Social Democratic Party before the party conference season, which opens with the Liberal Assembly in Llandudno next week.

Part of Mr Benn's message was that the Gang of Four—Mr Roy Jenkins, Mrs Shirley Williams, Dr David Owen and Mr William Rodgers, now the joint leadership of the SDP—had nearly wrecked the Labour Party and given half a chance would wreck the Liberal Party.

The message could have some force, even coming from such an unlikely source as Mr Benn, for much of the debate at the Liberal Assembly will be concerned with the development of the alliance with the SDP and in particular the division of Parliamentary and local seats.

Mr Benn said he believes many people who had joined the Liberal Party could now be persuaded to rejoin Labour. "Many of them are beginning to suspect that the Liberal Party is being groomed to be the fan club for Roy Jenkins and Shirley Williams, who need Liberal backing to climb back into Parliament.

"The Gang of Four who now run the SDP very nearly wrecked the Labour Party because of their contempt for its ordinary members. Given half a chance they will wreck the Liberal Party for whose individual members they have an equal contempt."

The thorny problem of seat distribution also surfaced in comment yesterday by Mr David Steel, Liberal leader, and Mr Rodgers.

Mr Steel said clear guidelines on seat distribution would be given by the leadership and he wanted to ensure that both parties had a fair mix of good and bad seats. He understood the Party's present nervousness over the danger of being swamped by the SDP but he urged Liberals to have far more self confidence.

Mr Rodgers argued that both parties in the alliance must expect to fight roughly the same number of Parliamentary seats and to have an equal chance among those most likely to be won by the alliance.

The difficulty of Mr Rodgers' formula is that it entails the dropping by the Liberal Party of many candidates already adopted for Parliamentary constituencies. Such a suggestion is certain to be opposed vigorously by many local Liberals.

But despite difficulties there is growing confidence and enthusiasm within the SDP camp. Mr Jenkins commented yesterday after overnight wins by the party in local government by-elections: "We are witnessing a real sea change in British politics which points to the prospect of a Social Democratic / Liberal Government after the next election as a real possibility and perhaps even as a probability."

Mr Mike Thomas, SDP MP for Newcastle East, confirmed last night his support for one-member-one-vote elections for the Parliamentary leader of the party.

This proposal, supported by Dr Owen and Mrs Williams, has been rejected by the party's steering committee in favour of a vote by the party's MPs. The debate will continue at the SDP's two-day conferences next month in Perth, Bradford and London.

Inflow of funds to building societies at 12-month low

BY MICHAEL CASSELL

BUILDING society receipts fell to their lowest level for over twelve months in August and could fall even further during September.

The inflow of funds continues to run well below the levels required to finance current mortgage lending programmes without having to draw on liquid funds. So the societies are now beginning to cut down on home loan commitments.

Last month, they advanced just over £1bn to home buyers for the sixth month in succession but they only promised to lend £951m—the lowest monthly commitments figure since January.

Net receipts in August dropped to £244m and some societies believe that this month could see them fall to under £200m, a level which has not been recorded since February 1980.

The poor month was the result of a number of factors, including the high level of withdrawals to finance expenditure on cars—registrations reached the second highest level ever—and on holidays.

In addition, the civil servants' dispute meant that some investors, usually receiving state benefits or pensions, were forced to live temporarily off their building society savings. Both July and August receipts are thought to have been affected by the dispute.

Mr Richard Weir, secretary-general of the Building Societies Association, commented: "Net receipts fell for the third successive month and, with the abolition of the age limit on national savings index-linked certificates, there is little prospect of any significant improvement in the short run."

The societies would normally expect September to show an improvement of around £70m-£80m in net receipts over the previous month but the index-linked issue could more than counteract the usual seasonal trend.

Mr Weir added: "Societies require net receipts of more than £400m a month to fund recent levels of lending and almost £500m a month to meet the current estimated level of mortgage demand, without drawing on their liquid funds. Net receipts have exceeded £400m on only two occasions this year and the eventual consequence has been a reduction in lending activity."

Mortgage lending still remains at historically high levels, however. A total of £1.022bn was advanced to home buyers in August against £836m a year earlier while the societies are committed to lending £2.6bn to borrowers.

Midlands rates move opposed

By Arthur Smith, Midlands Correspondent

MIDLANDS industrialists reacted angrily last night to a decision by Birmingham City Council leaders to seek a 5p supplementary rate rise. The increase would come on top of a proposed 14p additional rate sought by the West Midlands County Council.

Guest Keen and Nettlefolds, heading opposition to rises, said it was considering legal advice on whether action through the courts was feasible.

Mr John Warburton, director of Birmingham Chamber of Commerce, said: "Industry and business can no longer afford to put up with these sort of increases. There has to be some sort of legislation to safeguard the future of companies."

Companies across the city were spelling out the implications to employees, Mr Warburton said. "They are saying these increases can no longer continue; it is your jobs or theirs."

The normally moderate chambers comments underlined the extent of opposition building up in the West Midlands to planned rate rises.

Campaigns are being mounted for local councils to follow the example of Coventry, where a referendum of ratepayers voted 7-1 to cut services rather than face higher charges.

Date set for enterprise scheme

By Gareth Griffiths

THE GREATER LONDON COUNCIL plans to set up its Greater London Enterprise Board by December 15 with the aim of investment for strategic and structural change and general development.

Mr Michael Ward, chairman of the GLC's industry and employment committee, told the Institute of Local Government Administrators' annual seminar at Birmingham University yesterday that the main source of finance for such an industrial policy must be the rates.

The GLC enterprise scheme is seen as the prototype in local government and many of the enterprise board ideas floated by other metropolitan county councils are based on Mr Ward's work.

Priority for general investment by the enterprise board would be for businesses starting up, or at risk of closure, operating in geographical areas of high employment, or providing work in trades with high unemployment.

The board is planned to have an investment income of £70m next year; £102m in 1983-84; and £115m in 1984-85. A sum of £30m a year is to be found by a 2p rate precept under Section 137 of the 1972 Local Government Act, which allows councils money for activities not otherwise covered by statutory obligations.

Welsh 'back Liberal-SDP union'

BY ROBIN REEVES, WELSH CORRESPONDENT

STRONG WELSH support for a Liberal-Social Democrat Party alliance and a sharp slump in Conservative backing in Wales are highlighted in a poll of Welsh public opinion published in Cardiff last night. The poll was commissioned by Harlech Television.

Its results show that if there were a general election tomorrow about 52 per cent of Welsh voters would support Labour (against 47 per cent in the 1979 general election), 18 per cent the Conservatives (32 per cent in 1979), 15 per cent the SDP and 8 per cent the Liberals (11 per cent in 1979).

Support for Plaid Cymru, the Welsh Nationalist Party, is shown unchanged at 8 per cent.

Given the forging of a Liberal-SDP alliance, however, the poll suggests support for Labour would fall from 52 per cent to 44 per cent, for the Tories from 18 per cent to 15 per cent and for Plaid Cymru by 1 per cent to 7 per cent. This would give the new alliance the support of 33 per cent of the Welsh electorate.

Among Welsh Labour voters Mr Denis Healey is the most popular candidate for Labour's deputy leadership, with 66 per cent support. Mr Tony Benn received 27 per cent and Mr John Silkin 7 per cent.

Rees-Mogg (12) tackles the GEC

BY CARLA RAPOPORT

AN OUTSPOKEN critic of GEC's dividend policy showed up for yesterday's annual meeting of GEC with his father in tow. Sir William Rees-Mogg took his seat on the podium with the other directors, while his 12-year-old son Jacob grabbed a front-row seat in the auditorium of the Institution of Electrical Engineers.

When the meeting's humdrum business was completed, Jacob got the second question from the floor. "What is the point," he asked the chairman in a contemptuous tone, "of such a pathetic dividend when you have made a pre-tax profit of £476m and have total reserves of nearly £1.4bn?"

Lord Nelson, the chairman, defended the company before the shareholders, saying that dividends had risen 150 per cent since restrictions were lifted.

When the vote was called on the dividend payment, Jacob cast the only nay. In fact, his was the only negative vote of the meeting.

"I'm always the only person voting against things," sighed Jacob, who is a veteran of annual meetings and has been managing his own stock portfolio for more than three years.

Jacob said GEC's dividend should have been more than twice the agreed amount of 10.25p net. At the moment, he owns 175 shares

When his father joined the board as a non-executive director earlier this year, Jacob said he was asked to declare his interest on the dividend straight away.

Sir William, former editor of The Times, defended GEC's dividend yesterday and pointed out that Jacob had made more money out of his GEC holding than any other stock. "The company hasn't done badly by him." He claimed not to have given Jacob any investment advice. "He gives me advice," he said.

Jacob admits to making a profit of some £1,000 on his portfolio over the last three years and says he buys antiques with the money.

"I think they look much nicer than share certificates."

Jacob is now a Westminster schoolboy ("unfortunately," according to him) but has great ambitions for himself. "I want Arnold Weinstock's job. I want to run GEC."

Snags delay Philips' video disc launch

BY ELAINE WILLIAMS

TECHNICAL PROBLEMS have delayed the introduction of Philips, the Dutch electronics group's video disc system in the UK. The decision comes at a time of growing scepticism over the size of the potential market for video discs.

The disc is similar to a conventional audio record, but produces both sound and vision on television sets when played on a special machine.

Philips is now unlikely to introduce the system before next year because it has made insufficient discs at its Blackburn factory to support the launch. More than £6m has been spent on equipping the plant and a further £7m is committed to expanding video disc production. The company admits that market trials of its Laser Vision system have not been as successful as had been hoped.

JVC, one of Philips' main rivals, has already delayed the introduction of its video disc system until 1982.

Sony, one of the leading video tape-recorder manufacturers, has been consistently cautious about the video disc market and has no plans to offer a commercial system. The company sees the best hope for the video disc in the education and institution fields. Philips said yesterday it also was going to attack this field and was already talking with large companies, such as British Leyland, about the supply of special programmes.

Industry observers fear that the video discs have come too late into the market and at too high a cost. It has been estimated that development costs have run to £100m for each of the three systems being developed — more than that spent on colour TV in the 1950s. RCA, alone, has spent $200m and 15 years development on its selectorvision system.

Philips' own system will cost about £500 for the player, plus £15 to £17 for each disc—about half the cost of a pre-recorded video cassette.

There is growing concern, however, that whatever the technical merits of video discs, consumers will be reluctant to invest in yet another home video medium, especially when three completely incompatible systems are on offer.

Olau Line orders second ferry costing £23m

BY ANDREW FISHER, SHIPPING CORRESPONDENT

OLAU LINE (UK), part of the Hamburg-based TT Line, has ordered a second large ferry at a cost of £23m from a West German yard. It is to boost capacity on its cross-Channel route between Britain and The Netherlands.

Like the Olau Hollandia the new 15,000-gross registered tonne ship will be built by AG Weser. The aim is to have it in service next May.

Olau operates between Sheerness, north Kent, and Vlissingen in The Netherlands. It said yesterday the ship would expand capacity of the route by about 24 per cent.

The Olau Hollandia, said by Olau to be the Channel's largest ferry, came into service in March. It increased freight space by 40 per cent and passenger accommodation by 60 per cent.

When the new ship comes into service the smaller Olau Finn will return to Finland, from where it is chartered. In the first seven months of this year Olau Line carried 310,000 passengers, 40,000 cars and 24,000 freight vehicles.

Unlike such major operators as the state-owned Sealink UK, P & O and European Ferries' Townsend Thoresen, Olau is not involved on the busy short-sea routes to France and Belgium.

European Ferries and P & O this week announced heavy losses on the ferry side, caused by lower freight volumes and the aftermath of a price war from which Sealink also suffered.

Olau said it remains outside price competition. Its parent, TT Line, runs services with four vessels on the Baltic Sea between Travemunde, West Germany, and the Swedish ports of Trelleborg and Malmo.

BA ready for tough fight on rescue plan

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

AS THE British Airways management struggles over the next few months to implement the drastic "rescue plan" announced this week to stem its rising tide of losses, the big question in everyone's mind will be "will it work".

Mr Roy Watts, the deputy chairman and chief executive, has no doubts — he says bluntly that it has got to work, for the price of failure might well be bankruptcy.

Commenting on the measures, which include further cuts of 9,000 in staff, together with fleet, route and station cuts, aircraft sales and further sales of property and other assets, Mr Watts said that by the end of the current financial year next March 31, "we shall have a cost structure that will lead to profits next year (1982-83)".

Although the surgery now planned is being publicised in Roy Watts' name, it has been approved by the entire board. It is not difficult to detect in it in particular the hand of Sir John King, the tough new chairman of the airline, who took over from Sir Ross Stainton last February.

Sir John has kept well out of the public eye since his appointment, appearing only at the recent Press conference on the report and accounts for 1980-81, at which the £145m post-tax loss was revealed.

But he is known to have been very active behind the scenes, and has paid particular attention to trying to get the airline's financial structure right. He arrived too late to do much about 1980-81 but he is clearly one of the major architects of what is about to be done to rescue the airline in 1981-82.

If the drastic surgery now to be undertaken does produce profits, it will be a remarkable turnround. With losses of £145m in the past financial year, and the likelihood of another £100m loss in the current year, the total for the two years looks like reaching £250m and perhaps more, unless something is done.

The chances of Mr Watts's surgery working seem good, for an analysis of the airline's finances shows that a substantial part of the actual and potential losses do not stem from the airline's flying operations, but from other causes.

In 1980-81, the operating deficit—the loss on flying passengers and cargo worldwide—amounted to about £95m. After allowing for profits from subsidiaries such as British Airtours, British Airways Helicopters and other activities, the net operating deficit was around £70m.

What pushed the figure for the year up to £145m was the £70m-plus bill for interest on capital borrowings, which rose during the year to £783m to pay for the new aircraft fleet on which the airline is pinning its hopes for the future.

A similar big interest bill is due in the current financial year, and will continue to fall due in the years ahead, because the new fleet of 29 Boeing 737s (now being delivered) and the 19 Boeing 757s (to be delivered from 1983), all have to be paid for.

But the airline can fairly argue that these new aircraft, with their greater fuel efficiency, will be cheaper to fly, and will carry more, than the older-generation jets which are now being phased out, including Trident Twos and 707s.

Another factor, totally outside the airline's control, was the air traffic controllers' dispute in Britain this summer, and to a lesser extent also that in the U.S., which together obliged the airline to cancel over 2,000 flights, and tore a massive hole in its budgeting. BA assesses the effect of those disputes alone at lost revenue of more than £60m.

If these factors are taken into account, the overall picture looks a little less grim. Without industrial disruptions, and with a newer, more efficient fleet, and a leaner labour force, the airline can reasonably hope to survive.

The airline has been carrying too much fat. Last year, it carried about 16m passengers on a labour force of about 52,500. Direct comparisons with major U.S. airlines should be viewed with caution, because of the different nature of airline operations in that country: But it is significant that United Airlines, with 32.8m passengers, has only 48,000 employees; Eastern, with 39.5m passengers, has 40,500 employees; and American, with 25.7m passengers, has 40,600 employees.

British Airways has recognised for years that it is overmanned. But getting union agreement to cut down has proved difficult, and it may well be here that the new rescue plan could fail.

Last year, the airline cut 8 per cent, or 4,300, out of the labour force, bringing it down to 52,500. Even if it is successful in getting the unions to agree to the further cuts to 43,000, it remains to be seen whether that figure is still too high.

There does not seem to be any doubt that the management is in for a bitter struggle with the unions on the questions of staff cuts and the pay freeze to next September. A battle of wills could develop between the board (and Roy Watts in particular), and the unions who have for so long dominated much of what BA has been able to do.

But Mr Watts is determined to see the plan through, and he has warned that if employees do not co-operate, they will be made redundant compulsorily.

"I want everybody to recognise very clearly that we are in a completely new and much harsher environment which in turn demands a new style of management and a new way of doing things. Nothing less will do."

No-one in the airline should doubt that Mr Watts means what he says.

October meeting on Concorde

By Michael Donne,

THE FUTURE operation of Concorde by British Airways and Air France, and the level of manufacturing support for it by the aerospace industries in France and Britain, will be discussed at a meeting in London on October 29 between the two Ministers concerned.

This decision followed a meeting in London yesterday between Mr Norman Tebbit, Minister of State in the Department of Industry, and M Charles Fiterman, the French Transport Minister.

Contrary to earlier reports, Concorde was not on the formal agenda for the parallel discussions yesterday between President Mitterrand of France, and Mrs Margaret Thatcher.

It had been reported that President Mitterrand had suggested at a private lunch in France with journalists that Air France should abandon its Concorde operations because of heavy losses. The Elysee Palace subsequently denied this. M Mitterrand said yesterday there would be no unilateral decisions on Concorde.

At their meeting yesterday, Mr Tebbit and M Fiterman also discussed the potential development of the A-320—the 150-seater version of the European Airbus, which is likely to be the next major civil aviation programme to be undertaken in Western Europe.

The ministers made it clear that they were still awaiting the detailed proposals for the development of the aircraft from the aerospace industries of the two countries. Decisions on the level of government support would be made on the basis of these proposals.

The ministers did, however, "reaffirm their interest" in the A-320 plan. The French Government has already given tacit support for the plans put forward at the Paris Air Show last June

Report calls for national population policy

BY ROBIN PAULEY

A NATIONAL population policy, including extra state payments to mothers limiting families to two children, was urged in a report published yesterday by Population Concern.

The report is by Mr Eric McGraw, a director of the organisation. It said schools should be compelled by law to give sex-education lessons and that there should be increased research into safer, more effective and more widely acceptable methods of fertility regulation.

Britain and the Netherlands are among the most overcrowded countries in the world, it says. In Britain and England respectively there are 229 and 356 people per square kilometre. Britain is 19 times more crowded than Brazil or the Soviet Union.

The report said there was a downward trend in the birth rate in Britain in recent years but the population would stop growing only if every family produced a maximum of two children each over a period of 60 years.

An optimum, that is an economically and socially ideal, population for Britain had been estimated to be about 30m, compared with the current figure of about 54m.

Proposals for a National Policy on Population; Population Concern, 27-35, Mortimer Street, London, W1.

Closures set challenge for private airlines in Scotland

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

RUNNING AN airline in Scotland has always been thought of as something of a social service—essential for communications to the Highlands and far flung islands but with little prospect of making any money.

BA's announcement that is to close its station at Prestwick Airport, and may cut all 11 of its internal Scottish routes has provoked protests. But there has also been some cautious optimism by others who feel that smaller private airlines could do the job better and more cheaply.

According to BA, it has been losing £5m a year in Scotland. A 25-member management team studying Scottish operations say they hope to find a solution to keep operations going.

But some of the smaller airlines are arguing that they could operate much more economically over the sprawling Scottish landscape, using the right kind of aircraft and flying at much lower costs. Even so, they feel routes in Scotland would not make them much richer.

A fundamental argument of the independent airlines, along with the Scottish Consumer Council and regional transport authorities, is that BA has been operating with the wrong equipment. It uses seven Viscounts and two 40-seater HS 748 aircraft, whereas the smaller airlines use aircraft taking not more than 20 passengers which require fewer backup personnel.

BA said in Glasgow that it considered the Viscounts were still viable. There was no money to buy new aircraft. Its fleet had been flying at 60 per cent load factor—85 per cent was needed to break even.

Should the BA management team conclude that the prospect is hopeless, routes might then come up for offers. Airlines such as Air Ecosse, Loganair—and possibly Air UK and Dan-Air—might apply to the civil aviation authorities for licences to take them over.

Air Ecosse, part of a large family company called Fairflight, is based in Aberdeen. It moved out of charter work in 1979, when BA's licence to fly between Aberdeen and Wick was revoked, to develop a network of routes around its run from Aberdeen to Wick and to Sumburgh in the Shetlands.

Mr Paul Mulligan of Air Ecosse said he wants to link the development of his routes with inward investment in the various regions of Scotland.

"But these are not very good routes and there is no pot of gold to be made here," he said.

Loganair has joined forces with BA to share some routes but says it is ready to go it alone.

Mr Scott Grier, the company's financial director, said that the removal of BA's Scottish operations would provide a major opportunity for his company.

Mr Alan Devereux, chairman of the Scottish Tourist Board, is one of the sharpest critics of BA's potential closure in the country. After calling the shutting of Prestwick operations by British Airways the worst industrial news since the closure of Upper Clyde Shipbuilders, he yesterday warned that the internal routes were national lines of vital importance to the Scottish economy and tourism.

Mr George Younger, the Secretary of State for Scotland, who is on a visit to the U.S., said he was most concerned about the possibility of serious consequences for Scotland because of BA's plans.

THE TUC AT BLACKPOOL

Civil servants pledge new alliance in pay battle

Reports by John Lloyd Nick Garnett Brian Groom

LEADERS OF the civil service unions pledged themselves to create a new public sector alliance to challenge the Government over pay in the coming year.

They said that discussions were going on among public service unions aimed at co-ordinating settlement dates and, in the longer term, formulating common pay claims.

Mr Ken Thomas, general secretary of the Civil and Public Services Association, told Congress that the civil servants' strike earlier this year had seen the unions give up separate decision-making power over strike pay and strike action and that "our membership took heart from our collective action."

Mr Thomas said: "We took on a Government in the full flow of their arrogance at a time when the trade union movement was sapped by unemployment."

He called for a "new triple alliance" between civil servants, local authority workers and National Health Service workers. "It would be a formidable force. It would have power."

The Congress carried, unanimously, a composite motion which called for every effort to be made "to organise co-ordinated action by public service unions during the next pay round if the Government continues with its present policies."

It called for the creation of a framework "within which the whole of the public service trade union movement can unite with a common strategy to resist the Government's intentions." Collective action should be mounted "in a more effective way than proved possible during the 1980-81 pay round."

Mr Gerry Gillman, general secretary of the Society of Civil and Public Servants, warned that joint action in the public sector would mean confronting the law on secondary picketing, but delegates had agreed, earlier in the week, to challenge the Employment Act.

Ms Alwine Davies, from the National Union of Public Employees, moved a separate motion on public sector pay, calling for the general council to "develop a co-ordinated campaign among all public sector unions which will include industrial action in opposition to government policies."

Replying for the general council, Mr Geoffrey Drain, general secretary of the National and Local Government Officers' Association, said the general council could not reject the NUPE motion that warned that the creation of such a campaign carried great difficulties and would not be achieved quickly.

The public services committee would meet later this month to discuss further co-ordination.

Unions to fight public sector asset sales

TWO LEADING unions have pledged militant industrial action against threatened privatisation of publicly-owned assets.

Mr Sid Weighell, general secretary of the National Union of Railwaymen, told Congress that the Triple Alliance between the railwaymen, the steel workers, and the mine workers had already shown its effectiveness.

It had assisted the steel workers to win the steel strike last year, help strengthen the mine workers' threat of industrial action, and underpin the rail unions' demand for implementing the railway tribunal's award last month.

"But solidarity does mean sacrifices. My union will not hesitate to use not only the spirit but the words of the Triple Alliance."

Mr Weighell said that the Labour Party could not help, especially since elements within it would hinder it winning the next election. The only force capable of stopping privatisation was the unions.

Echoing this point, Mr John Edmonds, national officer of the General and Municipal Workers' Union, said that Government attempts to sell off gas showrooms would be frustrated.

"The only power now left to defend these public assets is the organised power of the trade unions. In the gas industry, we are prepared to use that power."

Mr Edmonds said that it was a mistake to believe that the showrooms were being handed over as growing concerns. They would be closed down and sold off

Sapper elected new chairman

MR ALAN SAPPER, general secretary of the Association of Cinematograph Television and Allied Technicians, was elected chairman of the general council for the next year. He will be president of the 1982 Congress.

A left-winger who describes himself as "a passionate advocate of free collective bargaining," he leads one of the smallest unions ever to take on the council chairmanship.

His council seat may be in danger when constitutional changes passed by Congress this week are carried out. He is, however, likely to be a strong candidate when the smaller unions get together to choose their council representatives under the proposed new arrangements.

Mr Sapper, 50, has been general secretary of the ACTT since 1968

Call for more aid to British Shipbuilders

CONGRESS ADDED to a week of attacks on the Government's nationalised industries policies by calling for the regeneration of shipbuilding "without threat of future dismemberment" and for a future Labour Government to restore the public telecommunications monopoly.

Mr Adrian Askew, national officer of the Engineers and Managers Association, deplored the reduction of financial support to British Shipbuilders. Greater government support was given in Belgium, Denmark, France, Italy, Japan "and in that bastion of the free market economy — the United States."

Mr Askew was proposing a motion which called for an enhanced EEC intervention fund. There should also be Government sponsored credit facilities "at least as advantageous as those operated by other major shipbuilding nations in Europe and the Far East," the motion said.

He accepted an amendment which provided that those facilities should give greater benefit to shipowners who registered their vessels in the UK, "thus helping to reverse the decline of the UK merchant fleet." It also called for adequate support for the shipping industry.

Mr. Malcolm Bourne of the Merchant Navy and Airline Officers' Association deplored the fact that the Government had turned down pleas from shipowners, shipbuilders and unions for financial assistance to shipowners to buy from British Shipbuilders.

Mr Alan Tuffin of the Union of Communication Workers moved a motion urging the restoration of the public telecommunications monopoly.

He accepted an amendment from the Post Office Engineering Union which rejected the report by Prof Michael Beesley on the introduction of competition in the provision of telecommunications services.

Mr Bryan Stanley, general secretary of the POEU, deplored the Government's assault on the nationalised industries. The more successful the industry, the more determined the Government was to cripple it or hand it over to private enterprise, he said.

Referring to the proposal for Cable and Wireless, BP and Barclays to establish an alternative network by running cables alongside British Rail tracks, he pointed out that three of these four organisations were either wholly or partly state owned.

"This is a major challenge not just to British Telecom but to the whole trade union movement. We must not allow our nationalised industries to be set one against another."

Private health insurance schemes to be opposed

CONGRESS EXPRESSED "total opposition to any system of insurance-based health care" under consideration by the Government—and called on affiliated unions to take "whatever action they considered necessary, if the Government seeks to introduce such an alternative health-care system."

Mr Albert Spanswick, general secretary of the Confederation of Health Service Employees, said there was "a counter-revolution in health care under serious consideration." The Government favoured the emergence of a two-standard service, which would be inevitable under the private insurance scheme.

Mr Don Cook, of the National and Local Government Officers' Association, said a "system of barter was taking place between local authorities and hospitals as pressure on the system mounts." Unions must campaign against the cuts, but must not isolate themselves from the community.

The TUC agreed to seek representation on local child accident prevention committees and to extend its concern for under-fives to accident prevention.

Tax on tape sales urged to save musicians' jobs

THE GOVERNMENT was urged to introduce a tax on the sale or hire of blank tapes and recording machines, to protect the employment of musicians and actors.

Mr John Morton, general secretary of the Musicians Union moved a composite motion which "recognised that the interests of some classes of workers can only be protected in the face of rapid technological change by adequate legal rights." The motion's purpose was to "strike a fairer balance between the consumer—who is often a lawbreaker—and the performer."

Consumers broke the law by recording programmes on blank tapes. The suggested measure would remove the crime and contribute to a fund for the enhancement of employment opportunities for actors, musicians and writers.

STRIVING FOR HARMONY

Terry Kirk

TUC President Alan Fisher leads delegates in singing auld lang syne at the end of the Blackpool Congress

Dispute may hit meat supplies in shops

By James McDonald

THERE could be a serious shortage of meat in the shops by the end of next week as a result of a decision by 600 meat inspectors in England and Wales to begin a work-to-rule campaign on Monday.

Their union, the National Association of Local Government Officers, said yesterday that negotiations with local authority employers had failed to reach an agreement about payment for new areas of work, and an improvement in the inspectors' national grading structure.

The decision to work-to-rule in accordance with the 1963 Meat Inspection Regulations followed a ballot result, the association said.

"Since the meat inspectors' grade was last altered in 1972 they have been allotted additional duties and responsibilities, and have suffered a deterioration in working conditions as a result of the increased mechanisation in slaughter houses and the pressure of line slaughter," Nalgo said.

"In addition, meat inspectors are now responsible for enforcing legislation in connection with meat hygiene, animal welfare, animal diseases and by-products, as well as additional EEC inspection requirements."

The go-slow would mean that inspectors would take longer to inspect carcasses going through a slaughterhouse and to examine every organ and piece of meat on them, Nalgo said.

Nalgo estimates that the inspectors' demands represent about a 10 per cent increase in wages. Employers yesterday said that about 24 per cent would be added to the wage bill.

Mr Colin Cullimore, managing director of Dewhurst butchers' shops, said: "The long-term concern is that if any industrial action is prolonged, many abattoirs — already weakened by substantial trading losses—will face closure with a subsequent loss of jobs."

He advised housewives to stock up their freezers because there might be at least a 20 per cent "shortfall" in supplies.

The Employers' National Joint Council for Administrative, Professional, Technical and Clerical Services, said yesterdaly that since June 1979 the pay of authorised meat inspectors had risen by 50 per cent. The wages of manual workers in slaughterhouses had risen by 22 per cent.

Pay rise of 4% offered by Vauxhall

By Arthur Smith, Midlands Correspondent

VAUXHALL MOTORS yesterday offered a 4 per cent pay rise and improved fringe benefits to its 16,000 manual workers. The company told employees it would enter negotiations to improve the offer provided higher earnings were funded entirely through increased productivity.

Vauxhall must be optimistic its offer will avoid confrontation in the annual pay round. Reaction from the trade unions, who had demanded a substantial rise, was muted.

The company's proposals are in line with those expected from the troubled motor industry. Lucas Industries has imposed a 5 per cent increase on 59,000 workers.

Vauxhall told union negotiators resources for the 1981 settlement were very limited, given the first-half loss of nearly £60m and last year's deficit of more than £83m.

The six-point offer includes a one-hour cut in the 40-hour working week and improved holiday and sickness benefits.

Vauxhall stressed it appreciated efforts already made by the workforce to achieve the target of returning to profitability by next year.

The new Cavalier model has been introduced at the Luton plant and goes on sale at the end of this month. The Astra, currently assembled in West Germany, will go into production at Ellesmere Port towards the end of the year.

Nott defends nuclear policy

THE TUC is totally out of line with the feelings of the British people over disarmament, Mr John Nott, Defence Secretary, told a Tory Party dinner in Pennard, West Glamorgan.

Unilateral disarmament, voted for by the TUC this week, would cause the loss of essential freedoms.

"Without nuclear weapons—which are an essential element of Nato's balanced capability against the Soviet threat—we would be defenceless against the blackmail," he said.

TREND OF INDUSTRIAL PROFITS

ANALYSIS OF 293 COMPANIES

The regular Financial Times table of company profits appears below. It is compiled from reports published up to the end of July 1981 by 293 companies whose account year ended in the period between January 15, 1981, and April 14, 1981. The figures are in £000 and the corresponding figures for the previous year are given in brackets.

The latest table underlines the gathering impact of the recession on industrial earnings in 1980, counterpointed by the then substantial growth in the financial sector.

The 197 industrial companies included in the survey had an overall fall in pre-tax profits of 16.2 per cent, with a drop in earnings of 19.9 per cent. The 29 companies surveyed in the financial group has an overall growth of 23 per cent in pre-tax profits and a 47 per cent growth in earnings.

Among the industrials, sectors reporting particularly sharp drops in earnings included motors, textiles, tobacco, packaging and paper, mechanical engineering and building materials.

INDUSTRY	No. of Cos.	Trading Profits (1)	% chnge	Profits before Int. & Tax (2)	Pre-tax Profits (3)	Tax (4)	Earned for Ordinary Dividends (5)	% chnge	Ord. dividends (6)	% chnge	Cash Flow (7)	Net Capital Employed (8)	Net Return on Cap % (9)	Net Current assets (10)
BUILDING MATERIALS	15	320,753 (339,240)	−5.6	221,311 (260,305)	164,225 (212,933)	59,315 (55,075)	94,293 (154,096)	−38.8	35,923 (37,775)	−4.9	164,115 (191,624)	1,776,487 (1,539,400)	12.5 (16.9)	456,344 (527,188)
CONTRACTING, CONSTRUCTION	8	29,642 (26,879)	+10.3	20,075 (18,935)	16,177 (16,687)	2,951 (3,629)	13,157 (13,037)	+0.9	3,208 (2,747)	+16.8	18,237 (17,301)	128,553 (101,132)	15.6 (18.7)	41,807 (31,291)
ELECTRICALS	10	283,312 (262,014)	+8.1	181,785 (179,981)	121,159 (139,563)	36,275 (39,769)	82,355 (96,748)	−14.9	27,801 (30,282)	−8.2	151,171 (146,917)	1,064,445 (904,921)	17.1 (19.9)	411,862 (353,056)
ENGINEERING CONTRACTORS	1	8,192 (7,623)	+7.5	6,572 (6,181)	4,552 (5,022)	741 (880)	3,801 (4,126)	−7.9	1,212 (1,212)	—	3,812 (3,975)	42,341 (35,997)	15.5 (17.2)	21,852 (20,597)
MECHANICAL ENGINEERING	20	118,875 (142,051)	−16.5	77,985 (98,505)	52,438 (78,616)	19,039 (20,414)	31,152 (56,607)	−45.0	18,617 (23,474)	−20.7	42,799 (59,730)	766,310 (730,271)	10.2 (13.5)	369,405 (373,808)
METALS AND METAL FORMING	7	77,951 (83,182)	−6.3	64,570 (70,389)	49,346 (54,722)	11,381 (13,187)	37,855 (41,357)	−8.5	13,609 (11,036)	+23.3	35,291 (41,053)	457,251 (438,254)	14.1 (16.1)	171,546 (157,348)
MOTORS	11	24,843 (42,781)	−41.9	14,358 (33,191)	2,967 (24,052)	4,064 (6,516)	−1,393 (17,038)	−108.2	3,849 (6,167)	−37.6	3,095 (18,586)	186,716 (185,477)	7.7 (17.9)	87,881 (70,865)
OTHER INDUSTRIAL MATERIALS	3	56,194 (49,663)	+13.2	42,809 (38,053)	35,174 (29,380)	11,617 (9,486)	18,301 (17,411)	+5.1	7,659 (6,751)	+13.5	22,490 (21,096)	212,567 (185,176)	20.1 (20.6)	80,050 (70,604)
TOTAL CAPITAL GOODS	75	919,762 (953,432)	−3.5	629,463 (705,540)	444,038 (560,775)	145,383 (148,958)	279,632 (400,420)	−30.2	111,878 (119,442)	−6.3	431,010 (499,282)	4,634,651 (4,120,628)	13.6 (17.1)	1,620,427 (1,604,888)
BREWERS AND DISTILLERS	5	321,472 (298,757)	+7.6	248,204 (236,239)	163,868 (166,809)	19,107 (23,207)	140,066 (139,394)	+0.5	49,341 (46,308)	+6.6	159,779 (151,677)	2,350,564 (2,028,079)	10.6 (11.7)	256,366 (261,496)
FOOD MANUFACTURING	6	197,908 (169,281)	+16.9	147,104 (126,908)	127,626 (109,485)	33,821 (29,657)	78,431 (70,592)	+11.1	16,619 (15,729)	+5.7	109,456 (94,808)	777,897 (700,647)	18.9 (18.1)	159,843 (126,333)
FOOD RETAILING	5	167,325 (125,256)	+33.6	122,971 (91,358)	104,993 (85,910)	15,705 (8,970)	89,280 (76,964)	+16.0	(21,697) (17,565)	+23.5	102,221 (86,065)	665,133 (600,163)	18.5 (15.2)	−100,702 (−94,004)
HEALTH AND HOUSEHOLD PRODUCTS	2	206,033 (181,689)	+13.4	175,327 (153,629)	150,644 (137,927)	47,200 (43,141)	102,917 (94,059)	+9.4	45,670 (41,307)	+5.7	87,602 (78,821)	622,883 (560,048)	28.2 (27.4)	287,328 (289,091)
LEISURE	5	63,074 (63,196)	−0.2	26,361 (28,088)	17,377 (19,245)	10,078 (10,881)	7,224 (8,350)	−13.3	5,000 (5,936)	−15.8	38,631 (36,618)	184,078 (191,604)	14.3 (14.7)	−14,613 (−17,129)
NEWSPAPERS, PUBLISHING	3	11,815 (12,506)	−5.5	7,967 (9,317)	7,864 (9,628)	2,612 (2,927)	5,227 (6,316)	−17.2	1,466 (1,254)	+16.9	6,366 (7,368)	41,701 (35,602)	19.1 (26.2)	11,180 (6,544)
PACKAGING AND PAPER	6	227,931 (297,485)	−23.4	152,827 (228,378)	101,097 (177,171)	17,080 (43,550)	73,797 (126,367)	−41.6	22,807 (30,186)	−24.5	121,435 (161,494)	1,239,522 (1,134,807)	12.3 (20.1)	389,915 (458,578)
STORES	33	833,766 (878,030)	−5.0	690,759 (727,591)	571,143 (639,966)	209,388 (223,929)	378,358 (413,070)	−8.4	173,436 (162,715)	+6.6	333,298 (359,004)	4,711,262 (4,283,109)	14.7 (17.0)	885,073 (905,438)
TEXTILES	20	200,766 (277,799)	−27.7	113,349 (183,135)	49,543 (127,778)	27,721 (28,596)	10,286 (88,007)	−88.3	16,817 (39,226)	−57.1	74,590 (138,685)	1,198,147 (1,375,340)	9.5 (13.3)	508,754 (591,028)
TOBACCOS	1	5,805 (9,116)	−36.3	3,913 (7,352)	2,832 (6,271)	951 (1,822)	2,038 (4,181)	−51.3	840 (1,029)	−18.4	2,578 (4,419)	43,792 (44,239)	8.9 (16.6)	30,736 (26,458)
OTHER CONSUMER	8	32,750 (43,704)	−25.1	16,212 (26,498)	2,237 (14,756)	4,528 (3,965)	−2,593 (10,208)	−125.4	3,130 (4,073)	−23.2	8,065 (21,236)	184,809 (223,675)	8.8 (11.9)	52,666 (76,484)
TOTAL CONSUMER GRP	94	2,268,645 (2,356,799)	−3.7	1,704,994 (1,817,480)	1,299,174 (1,494,946)	388,191 (420,563)	885,031 (1,037,488)	−14.7	354,823 (365,328)	−2.9	1,044,019 (1,140,281)	12,019,888 (11,177,295)	14.2 (16.3)	2,466,556 (2,630,988)
CHEMICALS	4	33,571 (34,344)	−2.3	26,559 (27,139)	24,623 (25,533)	2,614 (7,009)	22,008 (18,526)	+18.8	4,676 (3,839)	+21.8	25,388 (21,223)	134,079 (101,743)	19.8 (26.7)	72,374 (49,872)
OFFICE EQUIPMENT	3	1,661 (2,258)	−26.4	588 (1,501)	264 (1,275)	175 (414)	85 (853)	−90.0	212 (327)	−35.2	451 (960)	10,215 (7,725)	6.7 (19.4)	2,770 (3,160)
SHIPPING AND TRANSPORT	2	11,768 (11,260)	+4.5	6,278 (6,255)	4,421 (4,218)	1,471 (1,336)	2,980 (2,215)	+34.5	1,482 (1,221)	+21.4	6,640 (5,752)	79,750 (78,696)	7.9 (8.0)	21,684 (27,187)
MISCELLANEOUS	19	109,662 (133,556)	−17.9	65,245 (94,992)	39,863 (75,379)	12,099 (16,357)	26,782 (58,300)	−54.1	16,401 (19,303)	−15.0	49,815 (75,589)	566,540 (588,205)	11.5 (16.2)	141,498 (175,914)
TOTAL INDUSTRIAL GRP	197	3,344,869 (3,491,651)	−4.2	2,433,227 (2,652,907)	1,812,383 (2,162,126)	549,933 (594,735)	1,216,419 (1,517,806)	−19.9	489,472 (509,460)	−3.9	1,555,321 (1,741,087)	17,445,123 (16,074,290)	14.0 (16.5)	4,325,303 (4,491,083)
OILS	5	84,964 (76,386)	+11.2	62,029 (59,876)	(38,704) (50,602)	8,157 (13,798)	30,680 (36,637)	−16.3	12,859 (11,501)	+11.8	39,003 (40,409)	548,829 (539,105)	11.3 (11.1)	104,082 (133,887)
BANKS	1	46,500 (45,802)	+1.5	43,000 (42,068)	43,000 (42,068)	2,400 (16,547)	40,600 (25,521)	+59.1	5,700 (4,857)	+17.8	39,400 (24,918)	237,900 (201,700)	18.1 (20.9)	237,900 (201,700)
DISCOUNT HOUSES	4	6,907 (3,967)	+74.1	— (—)	— (—)	— (—)	5,785 (2,992)	+93.4	2,653 (2,265)	+17.1	— (—)	*1,232,042 *(1,059,440)	— (—)	8,466 (4,061)
HIRE PURCHASE	2	2,652 (2,700)	−1.4	2,201 (2,269)	972 (1,263)	121 (—)	844 (1,255)	−32.8	177 (115)	+53.9	983 (1,422)	8,280 (7,390)	26.6 (31.0)	3,437 (2,877)
INSURANCE (LIFE)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
INSURANCE (COMPOSITE)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
INSURANCE BROKERS	1	20,930 (17,810)	+17.5	12,716 (12,859)	12,626 (12,257)	2,795 (5,101)	9,742 (7,109)	+37.0	3,240 (4,161)	−22.1	13,872 (7,243)	34,588 (58,003)	36.8 (22.2)	3,877 (6,721)
MERCHANT BANKS	5	59,089 (47,319)	+24.9	— (—)	— (—)	— (—)	34,745 (27,502)	+25.9	9,602 (7,964)	+20.6	— (—)	*3,998,192 *(3,344,150)	— (—)	−476,431 (−497,010)
PROPERTY	15	174,635 (145,322)	+20.2	168,018 (139,745)	86,605 (60,379)	37,130 (28,563)	48,620 (30,912)	+57.3	38,370 (28,262)	+35.8	14,303 (6,142)	3,109,194 (2,441,252)	5.4 (5.7)	36,599 (−37,388)
MISCELLANEOUS	1	52 (37)	+40.5	46 (30)	44 (30)	10 (9)	34 (22)	+54.6	23 (19)	+21.1	12 (3)	799 (424)	5.5 (7.1)	−96 (70)
TOTAL FINANCIAL GROUP	29	310,775 (262,957)	+18.2	225,980 (196,991)	143,247 (115,997)	42,456 (50,220)	140,370 (95,413)	+47.1	59,765 (47,623)	+25.5	68,570 (39,725)	†3,390,761 †(2,708,768)	6.7 (7.3)	−189,249 (−317,869)
INVESTMENT TRUSTS	61	208,655 (190,987)	+9.3	191,296 (182,458)	168,880 (160,719)	66,879 (53,953)	109,642 (104,751)	+4.7	103,079 (96,622)	+6.7	6,762 (8,358)	3,445,975 (2,672,786)	5.6 (6.8)	9,282 (8,181)
MINING FINANCE	1	68,752 (67,596)	+1.7	59,591 (59,326)	53,717 (52,336)	17,921 (20,300)	34,010 (28,577)	+19.9	10,497 (8,393)	+25.1	32,121 (28,067)	352,361 (285,309)	16.9 (20.9)	33,033 (55,126)
OVERSEAS TRADERS	—	— (—)	(—)	— (—)	— (—)	— (—)	— (—)	—	— (—)	(—)	— (—)	— —	— (—)	— (—)

NOTES ON COMPILATION OF THE TABLE

The classification follows closely that of the Institute and Faculty of Actuaries, which has been adopted by the Stock Exchange Daily Official List.

Col. 1 gives trading profits plus investment and other normal income property belonging to the financial year covered. The figure is struck before charging depreciation, loan and other interest, directors' emoluments and other items normally shown on the profit and loss account. Excluded are all exceptional or non-recurring items such as, for example, capital profits, unless the latter arise in the ordinary transaction of business.

N.B.—Certain companies, including merchant banks, discount houses, insurance and shipping companies are exempted from disclosing the full information required under the Companies Act, 1948.

Col. 2 gives profits before interest and taxation that is to say profits after all charges except loan and other interest, but before deducting taxation provisions and minority interests. In the case of Banks, no figure can be shown because of non-disclosure (see foregoing paragraph).

Col. 3 gives Pre-tax Profits that is to say profits after all charges including debenture and loan interest but before deducting taxation provision and minority interests.

Col. 4 groups all corporate taxation including Dominion, Colonial and Foreign liability and future tax provisions but excluding adjustments relating to previous years.

Col. 5 gives the net profits accruing on equity capital after meeting—

1—Minority interests.

2—All prior charges—sinking fund payments, etc., and Preference dividends and

3—Provisions for staff and employees pensions funds where this is a standard annual charge against net revenue.

Col. 6 sets out the net cost of dividend on equity capital.

Col. 7 is the capital generated internally over a year's trading. For the purposes of comparison equity earnings plus depreciation less equity dividends is the recognised method of computing this figure.

Col. 8 constitutes the total net capital employed. This is the total of net fixed assets — excluding intangibles such as goodwill—plus current assets less current liabilities, except bank overdrafts.

* For merchant banks and discount houses a more realistic figure to quote is the balance-sheet total.

Col. 9 represents the net return on capital employed. Col. 2 as a percentage of Col. 8 provides an indication of average profitability.

† Excluding merchant banks, discount houses and insurances (life and composite).

‡ No figures given.

Col. 10 net current assets are arrived at by the subtraction of current liabilities and provision from current assets.

THE WEEK IN THE MARKETS

Gilt yields hold steady

LONDON

ONLOOKER

The London stock market has been rather more settled this week after the buffeting of the first few days of September. But things have not been exactly quiet, except in gilt-edged, where yields have held very steady. That amounts to quite a resilient performance, since sterling has been under pressure, particularly against the Continental European currencies.

The gilt-edged market has had plenty of statistics to keep it occupied, relating to the period at the end of the civil service dispute. *Money supply is still* rising relatively quickly, but the public sector is no longer a problem: heavy collection of revenue late in the month allowed the central Government to repay some borrowings in *August.*

The most exciting market sector by far *has been gold shares,* where prices are up by around 10 per cent on the week after a surge on Wednesday and Thursday. Other equities have oscil*lated around the 550 level* on the FT 30-Share Index, helped by some reasonable profit figures. News of another big rights issue—this time a 1 for 6 from BICC to raise £60m—was absorbed without much trouble.

Bowater

Bowater has had an agonising time in the UK over the last 12 months, but the corner has at last been turned. That was the interim message from the chairman, Lord Erroll, this week. The group's half year profits are down, despite a big *boost from the strength of the* dollar, but a turnround in the UK should mean that *profits* for the year will rise from £85m to £100m or more.

Having shut down most of its newsprint production in the home market, Bowater now specialises mainly in fine *papers, and although this business* lost money in the first half of the year, order books are now solid for the next couple of months. The main reason seems to be that much of the competition has been *forced out of business.* The packaging side is seeing slightly better prices and volumes, and its cost base has been reduced substantially.

In addition, Bowater has sold off commodity trading and *furniture activities which* together lost £6m in the first six months. And the continuing strength of the dollar is having a big impact on earnings in North America — *much* the biggest source of profits for the group.

Looking further ahead, Bowater is hopeful that it might at last start to make a decent return on its UK sales of about £600m. Margins could start to come under pressure in the U.S. paper industry next year but the group is very well placed in the market place there.

Sometime in the next year or two it will be contemplating its next major investment in North American capacity, and the big question for shareholders is whether they will again be asked for more *funds at* that stage. In the meantime the shares look *fairly valued, with* no great scope for dividend in*creases in the short term.*

Guthrie goes

The takeover of Guthrie Cor*poration, the* UK-based plantations group, by a state-owned Malaysian equity institution, proceeded at the pace of a tropical whirlwind and left in its wake some nagging doubts about the growth of "sudden death" *bids of this type.*

A bid by the Malaysians, who are building up their stake in domestic industry via open purchase rather than outright nationalisation, had seemed on the cards for some time. Permo*dalan Nasional, the Malaysian* institution involved, acquired a 25 per cent stake in Guthrie last December from Sime Darby, the plantations group which mounted an unsuccessful bid for Guthrie in 1979.

But the mechanics of the takeover were startling. Dawn raid specialists Rowe and Pitman bought just under 5 per cent of the equity in the market place early on Monday at 901p—229p above the pre-bid price—and Permodalan then picked up a *further* 12 per cent from South East Asian holders. With 42 per cent secured, a full bid at 901p was announced and the 50 per cent mark was topped by lunchtime.

Permodalan acted entirely to the letter of the rule book and there can be few complaints *about the price, which values* Guthrie at £282m and is more *than 30 times last year's earn*ings.

But the acquisition took place without any formal offer documents from Permodalan and before any counter-arguments could be mustered *by Guthrie, whose manag*ing director described as "grotesque" a system which allowed control to change hands in four hours. Many private shareholders would have read about it first in the *following day's papers.*

The implications of the Guthrie takeover and similar recent battles may be taken up by the Stock Exchange, the Council for the Securities Industry and the Takeover Panel, *according to* Mr Nicholas Goodison, the Stock Exchange chairman. But he has expressed caution about introduc*ing yet more rules.*

As for *Guthrie's future, the* Malaysian Finance Minister is already saying it would be a logical step for it to combine with Sime Darby, in which Permodalan has a stake of about 25 per cent. The argument goes that *the* creation of a group with close to 400,000 acres of plantations would yield greater efficiency and economies of scale.

BICC rights

BICC, the leading cable manufacturer, is charging its guns for what could be a major bid attack. Taking advantage of a share price which has steadily outperformed the market since the beginning of 1980, reaching a recent peak of 295p, BICC has *launched a £60.5m rights issue.* Shareholders are being asked to put up 225p a share in a one-for-six offer.

At the end of 1980 BICC had net debt of £55.2m—equivalent to a fifth of shareholders' funds. The cash raised will more or less leave the group without *any gearing although BICC is* likely to hold on to its chunk of fixed low coupon debt and feed much of the rights cash into the money market.

However, investment income is not the goal. The group is looking at a number of U.S. electronics companies and the *finance director, Mr Michael* Julien, says he is hoping to make an announcement of an acquisition "in the not-too-distant" future.

There is no hint as to the size of the companies BICC is *stalking but it has the muscle* to take on something reasonably big. If the management is willing to take on capital gearing of say a third BICC would be talk*ing to companies valued at* £100m.

With the rights issue came the half-time figures showing a one third jump at the pre-tax level to £44.5m despite the sluggish home market. The improvement stems solely from BICC International, big in the *old* Commonwealth areas, where the interim contribution almost doubled to £29.5m. Price competition in the UK cable industry depressed the first six months but there *should* be some recovery in the second *half and taking* into account the normal seasonal pattern the market is pencilling in around £95m pre-tax for the year—a rise of a quarter.

Davy/Enserch

On Thursday the *Monopolies* Commission announced that Enserch—a Texas *based* engineering and energy group—would not be allowed to proceed with its bid for Davy Corporation, Britain's largest engineering contractor. Of the reasons adduced, the one which seems to have weighed most heavily is the "loss of Davy's *national character" which* would supposedly have followed its merger with the U.S. company.

Neither this nor the other principal arguments—that Davy might be impeded in its contract negotiations by American legislation against corrupt practices and would suffer from a *lengthening in its chain of man*agement command—is quite the *sort of thing which clinches a* case. But the Commission had only to find that the merger might be detrimental to the public interest, and this—to the *undoubted satisfaction of Davy* —it was able to do.

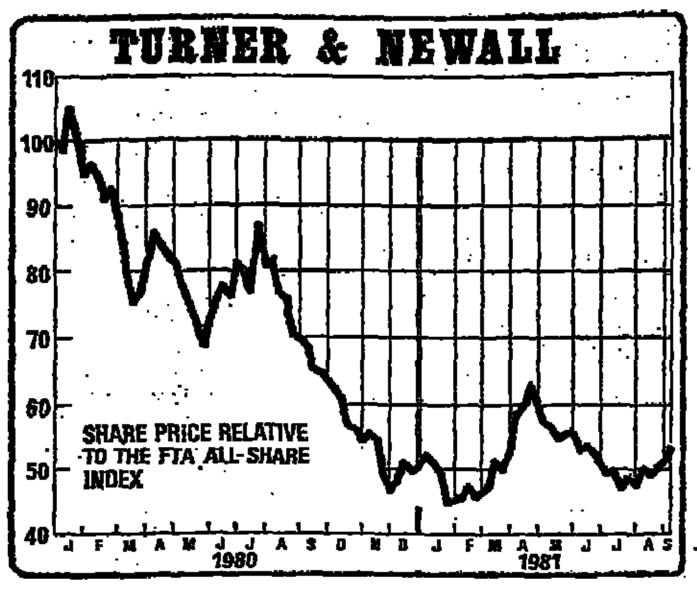
One immediate result of *this* was that Davy's shareholders were about 20p a share the poorer. Now that the bid-premium has been knocked off, *Davy is valued at about £134m* —177p a share.

For the moment, Davy has fallen back into line with the sector. Shares in Simon Engineering trade on about 11½ times fully-taxed earnings, *Matthew Hall* at nearer *12½.* Davy, assuming it makes £22m before *tax in the current year* (compared with £16m in 1980) has a prospective price/earnings ratio of 12.6. On an unchanged dividend the yield is 5.4 per cent.

Those who *think the shares* may *still be overvalued* are mainly sceptical about the whole sector — *currently in* vogue but likely to be quite short of work in the next couple of years given the low level of UK capital expenditure.

T & N in profit

A recovery at Turner and Newall is discernable—just. The *interim figures released this* week show that from sales of over £300m the international automotive, construction, chemicals and mining group produced profits of £8.5m before taxation. This was 30 per cent down on the same period of 1980



MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1981 High	1981 Low	
F.T. Ind. Ord. Index	553.4	— 1.5	597.3	446.0	Emphasis on second-line stocks
F.T. Gold Mines Index	421.3	+39.5	421.3	262.6	Strong demand/thin market
BICC	265	—21	295	163	£60.5m rights issue
Berec	118	+25	128	50	Bid from Hansom Trust
Bowater	242	—12	286	171	*Half-yearly results*
Channel Tunnel	168	+38	180	120	Project hopes revive
Davy Corp.	177	—18	200	141	Mon. Commission rejects U.S. bid
Durapipe Int.	39	+13	39	19	Glynwed 40p counter-bid
Gaunt (Rowland)	80	+58	80	22	Queensway Secs. buys 65% at 25p
GEC	758	—32	813	573	*Defence cut fears*
Grant Bros.	196	+73	196	100	Bid approach
GKN	182	+14	188	127	Interim next Thursday
Guthrie	862	+200	£10	650	Permodalan acquires control
ICI	278	+12	330	226	Institutional demand
Linfood	162	+20	165	123	*Gulliver Foods buys 20% stake*
Melody Mills	24	— 6	32	20	Trading loss
Plessey	349	—27	401	255	Defence cut fears
Reckitt & Colman	274	—18	308	174	Interim results
Tanks Cons.	332	+40	375	228	Bid speculation
Western Mining	314	+23	327	227	Satisfactory figs./oil find

'The Catch 82'

NEW YORK

PAUL BETTS

ON WEDNESDAY the lights went out in Wall Street when a power failure forced trading to close down early leaving thousands stuck *in dark buildings,* lifts, and huge traffic jams as *traffic lights went berserk.* But strangely the blackout provided the necessary catharsis to help the market lift itself out of its current state of deep depression.

After two weeks of steep declines in an atmosphere of panic similar to the dog days of the great silver crash in the spring of last year, the Dow Jones In*dustrial Average* picked up some of the ground lost in recent weeks after the blackout. You could not call it a strong rally, but nonetheless it was certainly a welcome change from the events of the past few days.

With most blue chips hitting close to their 52-week lows, some of the big institutions returned to the market to buy some of their old favourites at what is generally regarded as a bottom price. The upturn was largely regarded as technical, *with the underlying anxieties of* Wall Street persisting strongly in the foreground — albeit in a slightly more relaxed atmosphere.

The basic problem is now being dubbed on Wall Street as "Catch 82." This is a reference to the Government's 1982 fiscal *deficit which the markets be*lieve is bound to be much higher than the Administration claims. The catch, for the market at least, is that Uncle Sam says he can hold down the deficit at the same time as reducing taxes and *increasing* defence spending. And that, for Wall Street, is clearly a load of nonsense.

But while Wall Street appears to be getting round to living *with Reaganomics, Washington* is now beginning to become increasingly panicky. Credibility gap between Wall Street and Washington is now as wide as the Great African Rift Valley and the rift is now extending into Washington itself.

Until a few days ago, Washington *tended* to dismiss Wall Street as a bunch of neurotics. But in the past few days, Washington has become seemingly even more neurotic.

A group of congressmen went as far as proposing possible credit controls to slow down the economy an take the fight against inflation and high interest rates to a much *broader front. In turn,* Wall Street started speculating that the Federal Reserve might be induced to bring down the discount rate, currently at 14 per cent but effectively at 18 per cent for large borrowers. A decline in the discount rate would in no way mean that the Fed was loosening its current tight policies to control the growth of money. Indeed, with a general easing in the Fed funds rate to around 16 per cent this week, it could quite easily decide to make a move on the discount rate.

But the Central Bank would have one big problem. How would Wall Street interpret such a move?

To help the market along, a new season of takeovers in the oil sector *opened again this* week. Occidental Petroleum approached Zapata, a leading oil services company, with a merger proposal which sent Zapata stock rocketing up more than six points in two sessions.

If the market generally seemed better shape at the end *of this week, one sector in par*ticular is currently having the shakes. To pacify Wall Street, President Reagan has indicated he is prepared to trim his huge defence spending programme to help keep the Federal 1982 deficit down to the *Adminis*tration's target of $42.5bn. But *this inevitably spells bad news* for the defence stocks which had been riding high on hopes of a sharp increase in military expenditure.

The defence companies themselves believe that their stock prices cannot go any lower.

MONDAY. Markets closed because of Labour Day holiday.		
TUESDAY	851.12	—10.56
WEDNESDAY	853.88	+ 2.76
(Market closed early because of power blackout.)		
THURSDAY	862.44	+8.56

Mr Bond sails into hot water

MINING

GEORGE MILLING-STANLEY

AUSTRALIA's Mr Alan Bond is probably best-known to the general public for his involve*ment in international* yacht racing, but he is also an astute businessman.

The Ashton diamond joint venture in Western Australia bids fair to become the biggest diamond mine in the world in a few years, and Mr Bond, through his Endeavour Re*sources, is seeking to* buy Northern Mining, the principal asset of which is a 5 per cent interest in the venture.

The events of the past week or so have, however, brought Mr Bond into direct confrontation with Australia's securities watchdog committee, the National Companies and Securities Commission (NCSC), to the extent that the Commission said yesterday it intended to take "appropriate court action to ensure Northern Mining's shareholders are not *disadvantaged by Endeavour's* actions."

The NCSC's statement looks likely to lead to the first test of a new national takeover code which came into force on July 1, and which it was set up to administer.

No variation

This code prohibits any variation in takeover bids once they have been launched, and is *intended* to ensure that *all* shareholders in a target company have an equal opportunity to benefit.

The new code allows the withdrawal of an offer in the event of material changes in circumstances, and in *fact Endeavour* did withdraw its bid, which *values Northern* at just over A$50m (£31m), late last week.

What the NCSC is objecting to is Endeavour's decision this week to go ahead with its bid, but on certain conditions which were not part of the original offer.

The problem arose because the Perth-based Afro-West Mining and Exploration has claimed that the pegging of the Lake Argyle site by the Ashton joint venture partners was invalid.

The consortium leader, the Rio Tinto-Zinc group's Australian offshoot CRA, rejected this claim, and hopes to have the dispute settled before the end of this year.

Mr Bond promptly said Endeavour was cancelling its offer for the 60 per cent of Northern *it did not already con*trol, but this week a further statement indicated that the offer would proceed.

However, the offer was made conditional on any litigation *arising out of the Afro-West* claim being resolved "in a manner not materially adverse to the financial interests of the Ashton joint venture or those of Northern."

Endeavour also said that its bid, open for *six months, would* "if practicable" be extended *for a further* six months if the dispute is not settled by the initial expiry date.

The NCSC responded by asking the Belbourne Stock Exchange to suspend trading in Endeavour's shares, and Mr Bond's *company joined* Northern *on the* sidelines.

The Commission was clearly unhappy at the prospect of the bid dragging on for up to a year, and also objected to the new conditions attached.

There was speculation that Endeavour's resumption of its *offer had been the result of a* compromise struck between the company and the NCSC, but a statement from the Commission gave the lie to this.

The next stage was an announcement that Northern had resorted to legal action in an attempt to force Endeavour to proceed with its original offer, without the new conditions.

Alternatively, Northern is seeking an order in the Supreme Court of Victoria requiring Endeavour to proceed with an offer on the terms on which it recently bought a stake of around 20 per cent in Northern from the National Mutual Life Assurance Association of *Australasia. These terms have* never been made public.

This was followed *yesterday* by the NCSC's announcement that it too intended to take legal action against Endeavour.

Ashton itself figured in the news this week with a claim by Mr Jack Lunzer of London's *Industrial Diamond* Company that the joint venture's proposed output of 22m carats of mostly industrial diamonds a year by 1985 could make serious inroads into the market for synthetic diamonds.

De Beers Consolidated Mines, the leading force in the world diamond business, *said this was* not so, but that Ashton could have an impact on future prices of natural stones.

Mr Lunzer, it will be remembered, was the man instrumental in the loss by De Beers' *Central Selling Organisation* of its 14-year exclusive marketing rights to the diamonds from Zaire, the biggest producer of industrial diamonds in the world.

This was the first serious blow to the CSO's near-monopoly position in world diamond supplies since the departure from the fold of Ghana in the 1960s, which has not turned out to be *noticeably successful. In*deed, Ghana's sole remaining *producing diamond mine* at Akwatia was earlier this year reported to be in such dire financial straits that it might soon be forced to close.

There have so far been no signs that any of the other independent black African countries with which De Beers main*tains links in diamonds could* be tempted to follow Zaire's example, but the realities of the present political situation in southern Africa could soon lead to a radical change in the position.

A meeting of the African Front Line States began in the Nigerian capital of Lagos yesterday, with the possible provision of military assistance to Angola in the face of South African incursions into the country certain to be at the top of the agenda.

The Front Line States include three diamond-producing countries, Angola, itself, Botswana and Tanzania, all of which maintain extensive links either direct with De Beers or through the CSO.

I understand that the representatives of these three countries are likely to come under *pressure from the other states* to reconsider their links with the South African company.

These countries can be expected to argue that their relationship is purely a business one, and that they would be unwilling to do anything *which* might harm their economic interests.

The counter-argument to the first contention will be that in the present circumstances, any link with South Africa must be regarded as having political overtones.

Four sales

As far as economies are concerned, Zaire has so far held four sales in the capital of Kinshasa outside the auspices of the CSO, with a fifth planned for September 25.

Mr Lunzer and the other customers, Caddi and Glasol of Antwerp, reported themselves satisfied with the outcome of these sales, as did Zaire's representatives. It is likely that the example of Zaire will be held up before Angola, Botswana and Tanzania this weekend.

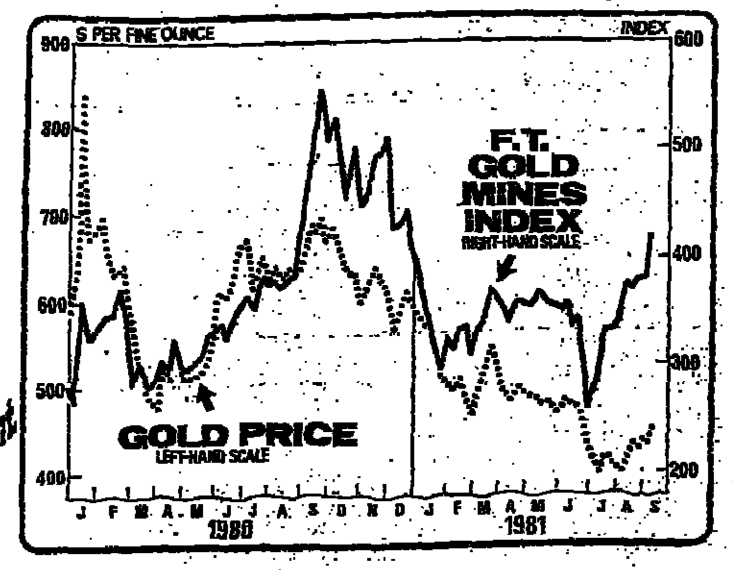
● The London closing gold *price topped $450 per* troy ounce this week for the first time since June, and the Gold Mines index surged up in line with the metal to its highest level since January.

Gold was also highlighted on Tuesday, *when* Anglo American Corporation of South Africa unveiled a study entitled "The Future World Price of Gold." This was prepared for the company by Dr Horace "Woody" Brock, formerly of the presti*gious Stanford* Research Institute and now president of Strategic Economic Decisions, both of California.

Dr Brock's study, reputed to have cost Anglo upwards of $250,000 in fees and expenses, indicated that there is a 24 per cent probability of the bullion *price averaging* between $1,024 and $1,073 in 1987, and a further 22.5 per cent probability of a price between $1,074 and $1,124, assuming an annual inflation rate of 9 per cent in both cases.

It is unkind and irrelevant to suggest, as some people have done, that a similar answer could have been arrived at by a small group of people spending an afternoon discussing the fact that the world is a very insecure place, and thus the gold price is bound to go up over the next few years.

Dr Brock has made a significant *contribution to* the analysis of uncertainty, and presented *the results of* his researches with proper humility and not a little humour.



YOUR SAVINGS AND INVESTMENTS—1

Life rent trust

Would you please give me your advice on the following, and how to proceed? My wife and I—both Old Age Pensioners and residents of Edinburgh—as grandparents would like *our total estate* to be left as follows: revenue to the children, capital to the grandchildren. We have been advised that such is covered by providing something called an Accumulation and Maintenance Trust. What is this and how does it work? Does it tie up the capital irrevocably, or is there a let-out clause, which would allow the children access to a certain percentage of capital, in case of emergency or perhaps, disablement?

What you appear to have in mind is a Liferent Trust under which your children received income. In Scot's Law the technical term for the interest of each of your children would be a liferent with the "fee" passing to your grandchildren on the termination of the liferents of the children. This arrangement does not give the children power to dispose of the capital and ensures that at the end of the day the capital is available for distribution to the grandchildren. It is possible in these circumstances to provide that the Trustees appointed will have power to make capital payments to the children up to a certain limit.

This is not an Accumulation and Maintenance Trust. It may be, however, that the grandchildren might become entitled to the capital before they have attained majority and then in these circumstances it is normal to provide and give the Accumulation and Maintenance Trust for the benefit of the grandchildren. As the name implies, the income is accumulated in so far as not expended for the maintenance, education or benefit of the grandchildren.

If you leave your Wills as set out above there will be a charge to Capital Transfer Tax on your depth if your estate exceeds £50,000 and on the deaths of your children if their estates including the funds liferented under the Liferent Trust created by your will exceed £50,000. The taxation advantage of an Accumulation and Maintenance Trust is that on the beneficiaries becoming entitled to capital on attaining the age specified by you, there is no liability to Capital Transfer Tax.

Tax on Irish interest

Your recent reply in regard to tax on Irish interest in Finance and the Family prompts me to write as I am in receipts of interest on an investment account in an Irish Building Society. The interest is payable free of Irish income tax and I have left it to accumulate in the account in Ireland. I have declared on my Tax Return (UK) the interest received as notified to me by the building society and have now been assessed by the Revenue on these sums notwithstanding that they have not been remitted to the UK, they have suffered tax (effectively) in Ireland and that the exchange rate disparity would reduce the sterling value of the interest substantially. Is there any advice you can offer me?

Even if you are domiciled in the Republic, you are indeed taxable in the UK on the amount of interest credited to your Irish building society account in each tax year (as long as you are resident in the UK). However, you are only taxable on the sterling equivalent of the interest (using the punt/pound exchange rate for the day on which each item of interest is credited to the account). If you have any difficulty in getting your UK tax assessments adjusted to the right figures for each year, you may like to come back to us (with more precise facts, including whether you consider yourself to be domiciled in the Republic).

Your 1981-82 assessment cannot, of course, be determined until you have received the final payment of interest due (before April 6, 1982), but nevertheless the tax is payable on New Year's Day 1982. You may well decide that the simplest solution is to switch your money into a different type of deposit-taking institution, which may give a better net yield (after UK tax) with equal security and ease of withdrawal.

Taxation of the elderly

I refer to your reply of August 1 under "Taxation of the elderly." Using the tax bonds in the example you quote, a person in receipt of a retirement pension with a gross income between £11,250 and £13,395 would pay more tax than an employed person with the same income. Should not the tax bond: "30 per cent on the next £4,225" read 30 per cent on the next £6,370?

Yes—we slipped up. For a single man or woman, the corresponding scale would be:

No tax on the first £1,820
30 per cent on the next £4,080
50 per cent on the next £ 667
30 per cent on the next £6,057
40 per cent on the next £2,001
45 per cent on the next £3,500
50 per cent on the next £5,500
55 per cent on the next £5,550
60 per cent on the remainder

No exemption from CGT

I have a problem with the Tax Office re Capital Gains Tax on property sold, which was left to me by my mother. The properties were accepted by the District Valuer for probate at £2,300 each in 1966 as rents were £1 a week.

I sold both houses to the sitting tenants for £2,900 and £3,100 respectively in 1973-74 and was told I would have no Capital Gains Tax to pay. I did not therefore declare the sales—I only reduced the schedule of properties of rents received by these two.

Now in 1981 I am being bothered by the Inspector of Taxes for Capital Gains Tax. I thought tax claims and reclaims were limited to six years. Can you please advise and at the same time give me some guidance as to Capital Gains Tax assessment I might be liable?

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

You do not say who told you that you were exempt from CGT on the sale of the investment properties, nor whether you read the explanatory notes which accompanied your tax return form at the end of 1973-1974 (which should have corrected your misapprehension). Since it was presumably made clear in your 1973-74 schedule A computations that the two properties had been disposed of, and not simply become vacant, it is unlikely that the Inland Revenue will seek to establish fraud. However, they may allege wilful default, under the procedure covered in sections 36 and 41 of the Taxes Management Act 1970. The most likely course is that you will be invited to make an offer of the lost tax plus interest, plus a sum by way of penalty.

The 1973-74 chargeable gain of £1,400 (less any allowable expenses) would attract £420 CGT at 30 per cent.

It is unfortunate that you did not think of checking the tax position with the solicitor who acted for you in the sale of the properties.

A through-room and VAT

I was interested to read the article under the heading "A through room and VAT" on July 25 and even more interested in your reply which in my view the knocking down of a dividing wall between two rooms and the ancillary work connected with it is zero rated. Removing a fireplace, walling up and making good in one or both of the rooms is not a replacement and is, therefore, zero rated. Alterations to pipes, cables and services etc., caused by the alterations is also zero rated as is, of course, the cut-out of the opening itself and making good. The replacement of a solid panelled door with a part-glassed door could also be classed as an alteration, if the natural light inside the room or space which it serves is inadequate or does not or would not comply with Building Regulations for which the listed works of alteration would receive consent. As for decorations; I will concede a point and say that a proportion of these costs will be chargeable to VAT for areas not directly affected by the alterations, but since a lot of damage or mess will be caused by such alterations, even this will be close to a zero rating.

We note what you say but we adhere to the views set out in our reply. Our experience of VAT relating to what might be considered the alteration of a building shows that there can be a number of views expressed in relation to the same transaction. These views might be different even among officers of the Customs and Excise. We can only hope that when the ACT Construction case is decided by the House of Lords later this year the position will become clearer.

Richard Lambert looks at a new investment link between bankers

Behind the Ailsa reconstruction

MR DAVID MONTAGU, one of the City's best-known banking personalities, is joining forces with Mr Jacob Rothschild with a view to building a significant portfolio management group.

The first stage of their plan is close to completion. On Monday, shareholders in Ailsa Investment Trust will decide whether to approve reconstruction proposals which have been initiated by Mr Rothschild's RIT group. If they do, Ailsa will become Mr Montagu's investment vehicle within the RIT orbit, and he will devote most of his time to its management.

In addition, Mr Montague will become chairman of RIT Investment Management, which is to be developed as an investment adviser and portfolio management company. Its first offspring is Precious Metals Trust—which was launched this week by RIT—and it plans to create and acquire other investment portfolios.

To cement this new relationship, Mr Montagu is expected to join the board of RIT in the near future.

The two men have much in common. Both have parted company from their family banking businesses, which they ran with considerable vigour during the early 1970's. Mr. Montagu, who is now 53, left Samuel Montagu after it was taken over by Midland Bank in 1973. He then led Orion Bank for six years, a period of major expansion and some impressive international deals, before moving on for an unhappy spell as head of Merrill Lynch International Bank, which he left last December.

For his part, Mr Rothschild finally split away from N. M. Rothschild last autumn, when a period of muffled thumps behind boardroom doors ended in a brief but spectacular public row.

The idea of some working arrangement between the two first cropped up when Mr Montagu left Orion, and was quickly revived after the break with Merrill Lynch. "took the decision that if the right vehicle could be found, I would like to join with Jacob," says Mr Montagu. "I've been running a big organisations for most of my life, but I have primarily always been an investment man."

As such, he claims credit for the invention of split level investment trusts — companies whose capital is split between those who want income and those who want capital growth—and remains on the board of several important investment trust companies.

The right vehicle turned out to be Ailsa, which is being reconstructed in what looks like an attractive manner. Existing shareholders are being offered the choice of selling out at asset value, staying where they are, or backing new management with additional funds. The trust will get fresh capital and some important new shareholders—and if the whole thing turns out to be a flop, it can be wound up in a few years time.

All this has been made possible as a result of two special features. First, Ailsa has two major shareholders—Cornhill Insurance and RIT—who together with other investors controlling altogether some 47 per cent of the shares have undertaken to hold on to their investments. This reduces the threat of shareholders stampeding for the exit as soon as they are offered the chance to get out at asset value.

On top of that, merchant banker S. G. Warburg has been able to persuade certain institutional investors to put up to £18½m into Ailsa's shares at asset value. This is a tribute to the pulling power of Mr Montagu's name, together with that of an extraordinarily distinguished list of directors for what is, after all, a pretty modest investment trust.

The proposed Board includes a director of Banque de Paris et des Pays-Bas, another from S. G. Warburg and Co. and Mr Selim Zilkha, founder and chairman of the Mothercare chain.

If the reconstruction is approved on Monday, the size of the new Ailsa will depend on how many of its present shareholders decide to take the offer to get out. Their payment will come out of the money being put up by Warburg's institutional investors. The best bet is that the portfolio will be around £28m to £30m in size, and Mr Montagu will have an option to subscribe for 4 per cent of the enlarged capital—subject to the trust showing some performance.

"I'm in no great rush to change the portfolio," says Mr Montagu, arguing that the present management has achieved very respectable results over the years. "But in 12 months time, I expect it will look very different."

At present, Ailsa has a broadly spread range of good quality investments, mostly in the UK. Mr Montagu thinks that a highly diversified portfolio is not appropriate in the current investment climate and that an increased degree of specialisation—especially in overseas stocks—will bring better returns.

He is more bullish about Japan than any Western market and he also thinks that the market setback in the U.S. and Canada has thrown up some great opportunities. "It's a lovely time to be awash with cash," he says.

The plan is that Ailsa will concentrate on special situations, including recovery, technological venture capital and energy investments. It will also buy unquoted securities—provided that they are likely to become marketable within the expected nine-year life of the trust.

David Montagu

But Ailsa will remain an authorised investment trust, and its role will be that of a portfolio investor. "We are not going to go out and buy a bank," states Mr. Montagu firmly.

Why is he—and other well known financial personalities—committing themselves to a relatively obscure investment trust? "I feel that people feel that something is going to happen when Jacob and myself get together," says Mr Montagu. "I hope they are right."

Game of the name

NAME CHANGES should always be treated with suspicion—but a rechristening this weekend is clearly more than just a superficial effort to erase unhappy memories of the past.

Officially the rebirth of Anthony Gibbs Unit Trust Managers as HK Unit Trust Managers simply reflects the company's new oriental parentage. It follows the take-over last year of Anthony Gibbs, the UK merchant bank by the giant Hongkong and Shanghai Banking Corporation and Hongkong and Shanghai's subsequent consolidation of all Anthony Gibbs unit trust activities into a new group.

Both the banking operation and the investment subsidiary at Anthony Gibbs, however, have had a somewhat bumpy ride in the last few years—unit trust performance has been patchy and funds under management have not grown as quickly as many had hoped. So those involved no doubt see the new nomenclature as symbolising a new start.

Under Mr Guy Croft, the newly appointed chief executive, a new investment team has been put together but perhaps the most intriguing link is with the Hong Kong Bank's Wardley Investment Services which has been running the Anthony Gibbs (now HK) Far East and General Trust since earlier this year. Wardley has a good reputation in the Far East and it would be no surprise if HK cashed in by launching a specialist Hong Kong fund. Closer and more formal relationships with Wardley are likely in the future.

Elsewhere, Mr Croft is planning to merge four of the smaller funds which will at least help to keep the number of trusts in check.

HK's objectives—to make the group, as Mr Croft says, "a major force in the unit trust industry based upon performance and specialisation"—are ambitious. Offshore funds are also planned to tap the lucrative expatriate market.

Although the decontrol of management charges in December 1979 and this year's resurgence in interest from investors have suddenly made unit trusts a profitable and popular business, not all the small management groups now fighting with increasing vigour for a bigger share of the market will ultimately succeed. Given the backing of the Hong-kong and Shanghai Banking Corporation, however—new capital has already been injected and Mr Croft makes it quite clear that the parent company's commitment is long-term—HK Unit Trust Managers probably stands as good a chance as any.

● Gartmore, meanwhile, whose total funds under management have shot ahead by 80 per cent since January 1, is launching a new UK Smaller Companies Recovery Trust this weekend. The fund will be restricted to companies with a capitalisation of under £20m and will take advantage of the Department of Trade's recent decision to let authorised unit trusts put a reasonable chunk of their assets in the Unlisted Securities Market. Somewhat unconvincingly Gartmore argues that it has "resisted the temptation to launch a technology fund"—that particular cow has already been well milked by rivals—but the group's impressive recent showing should ensure a good following for the new vehicle.

Tim Dickson

The lure of the yellow metal

ANY GROUP of extra-terrestial precious metal analysis scanning the sorry state of the world from an interstellar think-tank would probably need no more than a few seconds on their wristwatch computers to come up with the forecast that the gold price was likely to cross the $1,000 per ounce level some time during the next decade.

That's exactly the conclusion reached in a grandiose study *The Future World Price of Gold* unveiled in London this week by Anglo American—after 10 months of painstaking analysis around the world which cost the South African mining giant between $200,000 and $250,000.

The mammoth forecasting operation embodied 9.4bn different supply-demand permutations and the fruits of 80 interviews with experts in 14 world capitals. Assuming continuing 10 per cent inflation, the price of everything will more or less double after seven years. So the research amounts to little more than the prediction that gold during the 1980s will yield a positive real return whose magnitude will depend on political tension and good (or rather bad) luck.

Leaving aside scepticism about the scientific value of the study, the forecast came out during a good week for devotees of the yellow metal. Moving up to the $450 per ounce level on Thursday, the price is about $60 above its moribund levels at the beginning of August, when some gold pundits were still projecting that it could fall even further to around the $350 level.

Apart from the rise in the world political temperature over Poland and Angola, the main reason for this week's price surge seems to be growing disillusionment that President Reagan's experimental economics can succeed in bringing down U.S. inflation. Gold has also benefited from the sharp increase in the silver price, which now seems to be heading out of the Hunt-inspired doldrums.

Doubts about whether the Federal Reserve will be able to stick to its hard money objectives rose towards the end of the week after the threat of Republican leaders in Washington of possible political action to cut borrowing costs unless the Fed loosened the credit reins.

Industrial demand for gold has also been picking up during the last few weeks, with a rising physical offtake reported from the Middle East. Dealers report this has easily been sufficient to mop up increased selling from the Soviet Union, together with continued steady unloading from the No. 1 producer, South Africa. Both countries are forced by their worsening international finances to sell more gold this year—but if the price inches back further towards the $500 level they won't mind too much.

Dr Horace Brock: author of the study

David Marsh

YOUR SAVINGS AND INVESTMENTS—2

Profits sink in the Channel

BRITISH shipping companies are in a sorry state at the moment as illustrated by some dismal first-half results this week accompanied by share prices way below 1981 highs.

From ocean-going cargo vessels to cross-Channel ferries, the picture appears uniformly gloomy with profits harder to earn than ever. The UK fleet has been declining for several years now and Britain's major shipping *groups* are *heavily* involved in other land-based activities.

The operations of UK shippers have suffered badly this year from action taken by seamen and Southampton dockers to improved their pay. P and O, the largest UK shipping group, lost around £5m in the first six months due to these Labour troubles.

P and O's pre-tax profits virtually sank out of sight *in* the first half to barely more than £720,000 from almost £12.9m in the same period of 1981. Its share price touched a new low for the year on Wednesday at 110p, a third below the year's peak, and analysts reckon that the full year's profit figure could be as little as half the *1980* level of *£47m.*

P & O has made no secret of its disenchantment with the state of the *shipping industry.*

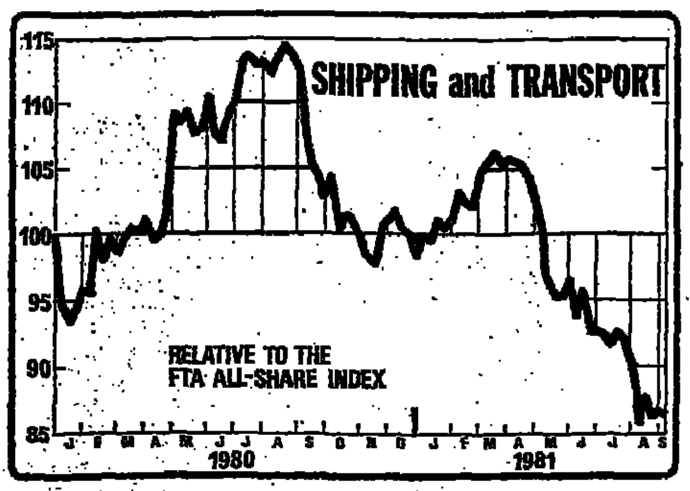
It has no new ships on order and still intends to sell more *vessels until it believes its fleet* is right for the much tougher conditions that have emerged in the *shipping business.*

Some of the sales will take place as more cargo routes are taken into Overseas Containers Ltd (OCL), the consortium in which P & O is joined by Ocean Transport and Trading and British Commonwealth shipping.

Also hitting P & O's profits in the first half was the profits slide in oil trading, partly due to the decontrol in U.S. crude oil prices in January. Ferry operations, where freight volumes are down and *passenger prices still suffering* from stiff price competition, made a £5.2m operating loss.

P & O made a profit on its ferries in July, though not an especially encouraging one, and did better than expected last month. But it will still end up in the red on ferries in 1981 and the loss-making Liverpool-Belfast route seems likely to close soon.

Also suffering painfully from its ferry activities was European Ferries; with a much larger stake in the business



through Townsend Thorensen *which has invested heavily in* new capacity in recent years.

First-half results on shippng *moved* from a £1.4m operating profit in the first half of last year to a staggering £9.3m loss in the same six months of 1981. For shareholders in European Ferries, entitled to hefty fare discounts if they have 300 shares, the news was bad indeed.

Coming the day after P & O's *poor results,* the figures pointed up the widespread malaise in UK shipping and left the shares at a low of 75p, compared with a year's high point of 126p, adjusted for the rights issue.

European Ferries ended up with a first half loss of £2.34m against a profit of £3.74m after including higher contributions from property, the Singer and Friedlander merchant bank, and Felixstowe and Larne harbours.

Just before going on holiday this week, the group's ebullient chairman, Mr Keith Wickenden, *Tory MP for Dorking, said passenger* carryings were marginally up this year, but "at vastly unrealistic rates." Nor was he very hopeful about next year's ferry prospects.

Ocean, P & O's partner in OCL, came out with its own first-half results a few weeks ago and these were also well down on the previous year. The lengthy dispute at Southampton hit OCL hard and thus Ocean, which underwent a 25 per cent pre-tax decline to £12.5m.

With costs continually on the increase—the wage bill is much lower on ships operated from Hong Kong and other areas competing in shipping—and *world trade less buoyant,* the outlook for UK shipping remains stormy. Share prices are *likely to reflect this for some* time. The only real comfort is the generally strong asset backing.

Andrew Fisher

Look left, right, and right again

SWITCHING investments may be common these days, but *switching loans is, to say the* least, unusual. At a time when clearing bank mortgages are *looking increasingly* attractive, however, borrowers might well consider shopping around more frequently than they do at present.

Looking at a comparison of monthly repayments *(see table)* it isi clear that in some cases the banks are now undercutting *societies by a significant margin,* particularly where the sums involved exceed, say, £20,000.

Many borrowers *must* be tempted to redeem their building society loan and pop across *the high stree to refinance it* at the nearest branch of Lloyds or National Westminster.

The resulting saving, based on current rates, would leave more than a little bit extra for the housekeeping.

By all accounts this does not seem to be happening. The Building Societies Association says it has not even discussed the possibility and the three big banks — Lloyds, National Westminster and Midland — which will lend to those wishing to refinance an existing loan report only a trickle of customers. Virtually all their business is being arranged at the house-buying stage.

The explanation is no doubt partly inertia but there are also good reasons *why individuals* should at least think twice before switching.

The first point is that the differential between what banks *and building societies charge* could narrow again and even disappear—the societies feel, *for example, that if interest* rates move up again they could quickly regain the edge. Lloyds, Barclays and National Westminster all have their own discretionary mortgage rates but while they insist that these will remain competitive with what is offered elsewhere, that is not a guarantee. Not surprisingly building societies are sceptical and recall the short-lived promotion of "cheap" local authority loans in 1974 and 1975.

Much depends on whether the banks, as they claim, really are in the mortgage market to stay or whether recent moves *are no more than a short term* expedient to pick up new customers.

Anyone who thinks that they will get a better deal from a bank should also bear in mind the cost of taking their business elsewhere. A few years ago societies used to impose stiff penalties—the Abbey National, for example, used to add on three extra monthly repayments during the first five years—if *borrowers redeemed early.* Today, however, an early "surrender" charge is very much the exception rather than the rule.

Stamp duty is only paid on the purchase price of a house but switchers will certainly have to pay a new survey fee and probably some legal and administrative fees. The overall *cost, though, will be nothing* like that of a new loan.

Switching loans raises the question of "gearing up" or increasing the amount of your borrwing. Assuming funds are available, building *societies* will usually be happy to make a further advance in the form of a home improvement loan. But the cost of this extra cash will *depend on the use to which it* is put. Funds for a new swimming pool, for instance, could cost three percentage points more than the original advance.

Current Gross Monthly Repayments (£) Over 25 Years

	£15,000	£35,000
Barclays	179	417
Lloyds	178.65	416.85
Midland	178.04	418.36
National Westminster	176.18	411.08
Williams & Glyns	172.55	402.61
TSB	181.95†	437.85
Abbey National	170.54	451.22

†187.65 in south east.

At a time of mortgage famine, extra money is more likely to be forthcoming from a bank and the chances are that based on current rates it would be significantly cheaper.

Borrowers, however, should bear in mind the following two points. First, mortgage interest *relief is only available on the* interest paid on the first £25,000 of a loan. Secondly, the local Inland Revenue inspector will have to be satisfied that this £25,000 is being used either for the purchase or improvement of your main residence.

Take, for example, somebody *who borrowed £18,000 three* years ago to finance the purchase of a £22,000 home. Today he finds that the property is worth £40,000 so approaches the bank for say £35,000, part of which will be used to redeem the building society loan. The bank manager may raise an eyebrow but he need not query the use to which the extra funds are to be put.

The Inland Revenue in this *case is not going to allow tax* relief on more than another £7,000 (£25,000 minus £18,000) but an inspector is quite entitled to ask for evidence that home improvements are being carried out. A receipt from a friendly builder will be treated as fraudulent if it is discovered that the proceeds have in fact *been used to buy a yacht or* holiday cottage.

Second advances are quite *common where couples with a* joint tenancy run into marital problems and one needs extra money to buy out the other.

Tim Dickson

House key to fees

LIKE MANY families, the main asset of those who have to foot hefty school fee bills is their house.

Almost certainly this will have appreciated in value over the years, but the interest charged *on a second mortgage* is generally pretty steep. As the new school year begins *school fee specialists* C. Howard and Partners have linked up with Provident Mutual Life Assurance Association to provide a cheaper means of unlocking this capital appreciation to meet fees.

The scheme is perfectly straightforward. First the parent takes a second mortgage on the house from Provident Mutual for the amount necessary to meet the fees. The child may be about to start senior school, or he may already be at school or starting some time *in the future. Howard's* will calculate the lump sum required to meet the fees allowing for future inflation at either 10 per cent or 15 per cent each year. The choice is the parents'.

The capital sum is then invested in a Guaranteed School Fees Annuity scheme from Howards which guarantees annual payments starting from a given base and rising each year in line with the rate chosen.

In this respect the scheme is achieving the same purpose as home income plans which unlock the capital value of a house for elderly investors.

Interest is paid monthly at the quoted Building Society Mortgage Rate plus 2 per cent—at present 15 per cent which is equivalent to an annualised percentage rate of 16.2 per cent. This is below many second mortgage rates charged by *other* financial institutions.

The loan is repaid by a low-cost *endowment from* Provident Mutual for a period that can be as long as 25 years, though repayment has to be made before 65. Provident Mutual assumes the usual 80 per cent of current bonus rates in calculating the premiums.

The scheme then *is one of* the "educate now, pay later" variety with interest being paid throughout the term and the capital borrowed repaid long after the *child's* education has been completed.

Such plans were popular in the early 1970s before Denis Healey's 1974 Budget virtually killed them off by disallowing tax relief on the interest payments.

For the same reason—the parent has to pay interest gross—the new Howard product is a pale imitation of earlier schemes. The following example shows how the cost remains high because of the gross payments.

Consider the case of a father aged 40 sending his son aged 13 to boarding school with a fee *currently £1,200 per term.* He opts for a 10 per cent inflation rate in the plan which costs him £17,216 *which he borrows* from Provident Mutual.

His monthly interest payments *currently are £215.20 and the* net monthly premium for the low cost endowment is £28.57, making a current monthly outlay of £243.77, that is £2,925.24 a year.

The *table shows* the current outlay over the five-year school period and the fee payments secured.

Year	Annual Payment	Fees Secured
	£	£
1	2,925.24	3,687
2	2,924.24	4,056
3	2,924.24	4,461
4	2,924.24	4,908
5	2,924.24	5,397

So far so good. The saving in the first year compared with paying fees direct is not much but it gets better as the years go by until the child finishes school. Now comes the crunch. The annual payments of £2,924.24 continue for another 20 years with no further pay*ments from the scheme.* (Assuming the mortgage rate remains at the current level of 13 per cent). When the 25 years period is completed, the endowment has an expected maturity value on current bonus rates of £26,011 of which £17,216 is used to repay the loan the parent gets the balance of £8,795.

Parents can repay the loan at any time and should try to reduce the size of the capital outstanding whenever possible. If the parent changes house after taking out the mortgage he has to repay *the mortgage* and in any case it is possibly a convenient time to do so. The *mortgage can be refinanced.*

Like all borrowing schemes, this new plan has its place in the school fee planning schedule But parents should avoid the temptation of regarding it as *the sole means of paying fees.* It could prove a millstone.

Eric Short

UNIT TRUST AND INSURANCE OFFERS

PROPERTY

Buying abroad

BY JUNE FIELD

"HOW CAN I buy property overseas without fear of losing my money?" is one of the questions frequently asked. The answer is that with regulations constantly changing, and the truly phenomental amount of holiday and retirement homes on offer in the major tourist areas of the world, an element of risk is something even the most cautious buyer has to face.

Investment in certain countries is, understandably, subject to various restrictions, governed by laws which are not only liable to change without warning, but which may even be interpreted in different ways in certain areas of the same country. And it is well to remember that in Britain, where exchange control regulations are not currently in force, the Act has not been repealed and is still on the Statute Book, so who can predict what officialdom will decree in the future?

For advice and to deal with any justifiable complaints (*which must be fully documented in writing*), there are the two recently launched *organisations*, the Association of British Overseas Property Agents (Abopa), and the *Federation of Overseas Property Developers, Agents and Consultants* (Fopdac). Their declared *aims are to monitor* and regulate the professional conduct of their members (as yet only a limited number of the numerous companies in the market), as well as investigating by bank and trade references (regularly updated), the developers and agents with whom they deal, in order to safeguard and protect the general public.

Mougins le haut, attractive village complex being created high in the hills behind Cannes in the South of France, where studio apartments are selling from £25,000. Larger apartments and time-share units are available. Details Montpelier International, who are founder members of the *Association of British Property Agents*

Mr J. G. Riley, Abopa chairman, has had to admit however that the question of bonding each transaction is almost an impossibility when dealing in overseas properties, in view of the many ways the formalities are carried out in the various countries. "The association consider it far more important to endeavour to resolve, by discussion and co-operation, any problems which are bound to arise in a business of this nature."

On Wednesday, the Federation Of Overseas Property Developers, Agents and Consul*tants, which was originally* formed in April, 1973, and dormant for the last five years *or so, publishes a useful leaflet, Buying Property Overseas?* It lists the essential questions you should ask anyone (owner, developer or agent), trying to sell you a home in the sun. The answers, if satisfactory, should reveal, among other things, that the property has a clear title, the amount of extra costs for *the* infrastructure, conveyancing, taxes and so on, and most important, how to repatriate the proceeds when you come to sell.

For a free copy of the leaflet and list of members, contact Mr Keith Mackie, Fopdac, 55, Sidney Street, Cambridge (0223 66444). Abopa's latest recruit as an affiliate is the major travel and villa renting company, Owners' Services Ltd. (OSL), who will be assisting the association in arranging flights for their clients on favourable terms. Details and *membership list (for sae) from* Mr J. G. Riley, Abopa, Orient House, 42-45, New Broad Street, *London EC2.*

The home of Victoria's grand-daughter

Sharing the gracious life

THIS WEEK Brantridge Park, an elegant 18th cnetury house, much added to during the 19th century, tucked away a few minutes off the M23 at the turn-off *for* Handcross village in Sussex, became the newest recruit to time-sharing. Bought *by* Crouch Leisure Developments, a wholly-owned subsidiary of the Crouch Group it is, *in away, only reverting* to some of its past history.

Princess Alice, Countess of Athlone—a grand-daughter of Queen Victoria—born 1883, who dies this spring, shared the house with various members of her family for a long period from 1918. "After the war, Mother thought it would be good for us all, and especially for the children, if we had a country place with a garden. Brantridge Park in Sussex was chosen," wrote the Princess in the delightful book *For My Grandchildren*, reprinted by Evans Brothers last year. "It was bigger than we wanted but it also had to accommodate Mother and her household. She was to live there in the summer and we lived there in the winter."

To give just a brief summary of the background of what a recent owner confided to me, was "this happy house—you will notice it as soon as you walk in the door." By the 1950s, Brantridge Park House, as it is now called, was lived in by the ill-fated Sir Denys Lowson, Lord Mayor of London in Festival of Britain Year. After his death *in 1975, it was sold to Mrs Mar*tin Oliver, who ran the place as a home for handicapped boys. In 1979, when *she* retired, a developer bought it and converted it to luxury apartments intended to sell between £75,000 and £120,000. In a depressed market they stuck, and the Crouch Group, *looking for* somewhere they could promote for time-sharing, took it on a couple of months ago. *They are* now offering three of a dozen apartments for £1,000 to £6,800 for one week's ownership *over* 80 years. The one- and two-bedroomed accommodation includes a living room, kitchen, bathroom and all the furnishings necessary for gracious living, plus a colour television *and* radio cassette player.

There is the Alexander apartment, named after Princess Alice's husband, grandpa as she called him, Prince Alexander of Teck, created Earl of Athlone in 1917, when English Royalty had to abandon all German names and titles. ("Granpa was furious, as he thought that kind of camouflage stupid and petty," she wrote). The Waldeck apartment is named for her mother, Helen of Waldeck, Duchess of Albany, and the Beatrice Suite, for "Aunt B," Queen Victoria's daughter, married to Henry of Battenberg, who was said to have had her wedding reception at the house when it was lived in by the Hesse family. She was also evacuated to Branthridge during World War II "as it was such a sunny house," and later shared it with the Carisbrookes. Presumably there will eventually be an apartment named for "Aunt May (Queen Mary, the Earl's sister), who "loved the wonderful drives *and beautiful places to see," and* for whom nearby Brighton and its Pavilion "was one of her *delights.*"

Sharing at Brantridge includes the use of the beautiful gardens in the 90-acre estate, planted by the Princess with the help of "an enthusiastic young gardener named Brodby . . . as keen a rock gardener as I," being able to play tennis and badminton, croquet on the lawn, and go putting and clay pigeon shooting. There is billiards and table tennis too, and you can relax in the covered heated swimming pool and soak in the *sauna* and jacuzzi. Until a golf course is built there is free membership of nearby Effing*ham Park*, and later you will be able to fish for trout in the lake, and as an extra, have the *cordon bleu catering service cook it* for you and serve it in your apartment.

For full details and to view the Alice Suite, which is the show apartment, contact the marketing agent, Mr Peter Cashmore, Asset International, Carrington House, 130 Regent Street, London, W1, who can also organise a "Weekender" visit which will cost about £70 for two including food. The cost is deductible if you buy. As Asset International is a member, financial details can be checked through the newly formed British Property Time-Share Association, c/o RCI, 24, Worple Road, Wimbledon, SW19. As always, the management charges are something to consider in any time-sharing *project*, and currently this is expected to be in the region of £60 a year for each week of *ownership*.

● *For My Grandchildren: Some Reminiscences of Her Royal Highness Princess Alice*, £7.95, or £8.75 including postage from Fiona Murchie, publicity controller, Evans Brothers, Montague House, Russell Square, *London*, WC1.

LEISURE

Hong Kong: a bridge to two Chinas

TRAVEL

ARTHUR SANDLES

THE MORNING mists swirled around the mud flats. On the opposite side of the river the dark leaves of the trees moved little in the autumnal air. Here and there was a grey roof. It all looked mysterious and just a little forbidding.

All that was some years ago, and it was my first view of mainland China. The vantage point was Macau, the Portuguese enclave that is as seedy and romantic as Hong Kong is bright, busy and bustling.

The curtain on China has lifted somewhat since then, and that early peer at a few trees has deepened into walks in northern snows where Mongol faces look inquisitively at the still rare western European face; to strolls in the sticky warmth of Canton, now very much a day-trip destination for Hong Kong visitors; and to endless duck dinners in the smart restaurants of Beijing.

Now it is not the Communist Chinese who are nervous about visitors, it is the Taiwanese, residents of "the island province of the Republic of China," who feel themselves threatened and outcast. They ask detailed questions of those who seek visitors' visas.

For the moment, however, we have a rare opportunity to see four at least of the faces of China, since the doors of Hong Kong, Macau, mainland China and Taiwan are all open to us, and no one knows how long that will last.

While there are similarities between them all, the differences are striking. Mr Ken Livingstone, Labour leader of the Greater London Council, recently put his toe into the area and produced instant judgments. His bravery can only be admired. One might just as well judge Africa on the basis of a day trip to Cape Town or Cairo. I do not know what China is, I only know what it seems to me, and that is a confusing but fascinating kaleidoscope.

While there are more exotic ways of doing it, notably taking the train through Russia, for most visitors Hong Kong is the gateway to all the Chinas. There are few more spectacular cities (don't let's split hairs; Hong Kong is a city by most definitions) and few more confusing ones. The harbour is memorable, the mood frenetic, the motivation money, and the food fantastic. The visiting European walks the surface like a water boatman on a village pond, unaware of what is really going on below. It is a feeling that recurs throughout the East.

For all its mystery, however, Hong Kong is the tourist's bridge in the area. As you enter you fortify yourself on the sheer commercialism of the place, enjoying the shopping, devouring the food (try a floating sampan dinner with a few friends) and, if male, admiring the world's prettiest and most smartly dressed secretaries crowding the Star Ferry or the new Mass Transit underground system.

The trams, banks, shops and briefcases are the link with distant Europe, which one grasps with something near relief after a longish trip into China itself.

That is not meant to be an insult to China any more than to say that a glass of Perrier is a relief after a bottle of Lafitte is an insult to fine claret. I have a regard for the wild and unexplored, the simple and rustic, but there are times when the lure of sybaritic capitalism is powerful.

Take a side trip into China from Hong Kong and you will wonder what all the fuss is about. On a one-day visit you will be shown a village and perhaps a school, as well as fields little different from those you have left in the New Territories. Travel further and you will see Canton (Guangdong), a bustling southern city of bicycles, fruit stalls, shops and noise. This is not the alien world of the China which lies to the north and west. It is a city with a deep history of Western contact and one that has a reputation for jollity and good living.

Canton is a place for eating, and watching the world go by. The Cantonese see so many foreigners these days they won't watch you very much.

As you go north, however, things start to change. Even in Peking—or Beijing, as we must now call it—once you are away from the astonishing Tianamen Square, you will find that people stop and stare. These days, however, everyone seems friendly and helpful. Hunting through the backstreets for a restaurant we had been told was particularly good, some friends and I stumbled into a butcher's shop by mistake. If you can tell the difference between butcher and restaurant in Chinese characters your education is clearly somewhat better than mine. Our embarrassment was quickly covered by the customers' amusement and friendly smiles. It was total confusion, we being unable to explain what we wanted, and they being perplexed at our presence in a side-street butcher's shop. In the end intruders and incumbents simply collapsed in mutual, and inexplicable giggles.

A chinese girl practices the martial arts in Macau — Ashley Ashwood.

Enough has been written and said about the cultural splendours of Beijing for any brief words here to be wasted. If you want to bone up on the subject try the *China Companion* by Evelyne Carside (Andre Deutsch, £4.95), which is packed with excellent advice and information. How I wish such a work had been available before. I would commend it to Mr Livingstone should he be planning a return trip.

I particularly enjoyed, for example, her comment on the Chengde Hotel in the centre of Chengde, a town wel worth the four-and-a-half-hour train journey from Beijing. The hotel, she says, "offers simple accommodation and very bad food," and recommends the taking of personal provision. I didn't, she was right, and the situtation was not eased by the complete failure of the water supply during my stay.

If you make the rail trip to Chengde you will be rewarded with views of the Great Walls, the "real China" of little villages and farm huts, and finally with an area which is full of architectural wonders.

All this set around a small industrial town with fascinating shops and street markets (best buys include bicycle bells and fur hats).

In today's parlance it is a quantum leap from all that to Taiwan, to reach which you must once again go back to Hong Kong. The first indication that you are in a totally different corner of the Chinese world comes at the airport whose style one can only describe as Modern Imperial. In the 1930s the proud built railway stations, today they build airports.

Taiwan's attractions are its pleasant climate, without the extremes of the mainland, its excellent communications and accommodation, its food and its scenery. For my tastes, however, these more northerly neighbours of Hong Kong and Macau are a solemn lot. One could not but admire the six lane highways, but you desperately miss the bicycles.

I suspect that Mr Livingstone would not even venture into Taiwan, but I would be fascinated to know his views on Macau. Here is a place where nothing makes sense. It is but loosely tied to Portugal these days and yet has a flavour much more Portuguese than Hong Kong is British; it is, in effect, part of Canton province and yet makes a great deal of money out of gambling in casinos and on Jai alai (pelote) which the toffee-nosed UK colony will not tolerate: and it has 300,000 inhabitants who somehow disappear into sleepy European-style streets where the looming tower blocks of Hong Kong are totally absent.

To walk in Macau is a delight, and do not miss an evening watching, and betting on the Jai alai. If you come back understanding the place, then tell me. On the other hand, don't; I prefer to enjoy my present bafflement.

The Chinas are changing, and I doubt if air fares will ever be as low as they are at the moment, so now is the time to visit.

Mainland China is still cautiously and perhaps innocently opening its doors to visitors. It has yet to learn the tricks of Rome or Bangkok. Hong Kong and Macau are extraordinary anomalies still retaining some of their old charm, but also offering the softer pleasures of western tourism. Taiwan is isolated; fiercely proud but undeniably nervous.

Go now, the East may never be the same again.

Further information: British Caledonian, British Airways and Cathay Pacific all fly to Hong Kong from London. The Hong Kong Tourist Association is at 14 Conduit Street, London SW1. Read the Berlitz Guide to Hong Kong, Macau and Canton, £1.25.

The Volvo 300 series; this is the two-passenger-door 343. Headlamp wipers are standard and the front-end has been cleaned-up for 1982

Disaster into success

MOTORING

STUART MARSHALL

THAT MUCH underrated car, the 300 series, has turned up trumps for Volvo in Britain this year. They sold the whole of the planned right-hand drive production for 1981 in the first six months. So the 1982 model was introduced, exceptionally early, at the beginning of last month. Volvo now reckon that more than 20,000 will have been sold by the year's end—double the quantity of two years ago and a 30 per cent increase on last year's total.

And all this at a time when most car makers would count themselves lucky to have held sales at something like last year's level. Only a handful—most of them quality manufacturers—have done better than in 1981.

The 300 series was initially a disaster. Volvo acquired the car when they bought DAF of Holland. The 300 had been launched before it had been properly developed and it took Volvo a year or two to get it right. Now it is a car that wears their badge with pride. It is strong, comfortable, promises to be enduring and should be as safe to have a serious accident in as any of the big, traditional Volvo 240 and 260 cars.

What really transformed the 300 from a lacklustre, thirsty ugly duckling was Volvo's decision to offer it with manual transmission. They used the rugged, if unsubtle, four-speed box from the 240 model, replacing the DAF's ingenious but unpleasantly fussy Variomatic drive. It has made all the difference. The lively 345GL I used last week felt as beefy and broad shouldered as any "proper" Volvo, yet returned 35.4 miles per gallon for a journey of 500 quite hard-driven, and often densely trafficked, miles.

The seats are generously sized, with tweed trim, plump though adequately yielding upholstery and—for the driver only—electrical heating to beat that early morning chill. One sits upright, with a good view over the fairly short bonnet through an immensely deep windscreen. There is ample room in the back seats for two people, just enough for an occasional third.

I wouldn't call the 300 series particularly refined. The Renault-made 1.4 litre engine is eager, though never silent, but feels a glutten for work. The gearbox, remotely mounted at the rear in unit with the final drive, has a shift that calls for a firm hand. The long throw clutch has to be held right out for a second or two if first or reverse are to engage cleanly. But the 300 goes well. It sweeps up to 70 mph in third and would hold 90 mph all day. Yet in traffic the engine, modified for 1982 to develop maximum pulling power at only 2,500 rpm instead of the previous 3,500 rpm, pulls smoothly in third from 15 mph and in top from 25 mph.

Road-holding and handling—particularly on ice and snow—have always been a 300 serie virtue. Having the engine a the front and the transmissio at the back gives near perfe balance. The de Dion rea suspension provides the com fort of a good all-independen layout but creates no handlin problems, as is sometimes th case. The rear wheels sta almost upright, however har you corner, maximising ty grip under all conditions. you want to throw the 30 around, it remains impertur ably well-mannered. The rac and pinion steering is accura and reasonably light for par ing, despite the fat, 70 seri tyres on the GL model.

Before long the 300 serie Volvo will come to Britain wit the big cars' 2.1 litre engi as well as their gearbox—it already available on mainlan Europe, but right-hand driv conversion problems have to b overcome. This could be a mo desirable car. If fitted wit 60 series tyres on larger, allo wheels, and perhaps with ove drive, it would be a compa counterpart of the very rapi 2.3 litre 244GLT, which is th best Volvo I have ever drive But that is for the future. Rig now, the 300, with three or fi doors, should appeal to buye who want hatchback bodywor prefer rear-wheel to front-whe drive, and find ruggedness stronger argument than fashio

Prices are from £4,497 (th 343DL) to £5,072 (the 345GL Automatic transmission, whic I wouldn't recommend, ad about £210.

CONTRACTS AND TENDERS

EDUCATIONAL

TRAVEL

BOOKS

Roman fashion

BY ROBIN LANE FOX

Roman Britain: Volume 1A of The Oxford History of England by Peter Salway. Oxford. £19.50. 824 pages

Fifteen hundred years ago, Roman rule broke down in Britain. No one date can be put to its end, but by 452 an author on the Continent thought that something serious had brought Britain under Saxon control. Perhaps he was misled by extreme rumours going the rounds of cocktail society across the Channel. But the Saxons, somehow, were in the saddle and the big names belong here. Vortigern who asked them in, Hengist and Horsa who took up the invitation and one Ambrosius who opposed Vortigern's rule. Somehow, too, the story connects with events throughout the Roman west. A brilliant guess links the name Ambrosius with the family of the former Bishop Ambrose of Milan, a central figure in Church and court affairs around 400. It may be unproven, but it suggests the sort of horizons against which these changes may have taken place.

The Romans did not only leave their roads. Their débris is proof of some tantalising visitors, Syrians on the northern Wall, or a descendant of one of Cicero's old clients putting up an altar to the god Mithras in third century Carrawburgh. When Claudius invaded, he probably crossed the Thames on an elephant near Westminster Bridge. Peter Salway has been asked to survey all the débris and the stories, from Caesar until the year 500. His fine book is now the first in the Oxford history of England. It is an admirable feat and all enthusiasts should set it beside their Frere and Rivet and the bold volume of R. G. Collingwood which it replaces.

Never has Roman Britain been such a popular subject. Our Latin is far scarcer and even worse than the Latin of Britannia's public, but field archaeology has filled the gap. The great names of Romano-British spadework have some sophisticated heirs and results have been prolific. Forts, villas and graves have multiplied. Keeping Britain at the top of any chart of former Roman provinces and their exploration. Mr Salway brings the latest finds into his story with absolute authority. Since Collingwood, so much more has been found and Salway is now the general reader's way of finding the best of it. He is very cautious. He doubts whether the remarkable silver from Water Newton, found in 1975, is really the earliest known Church plate, let alone a find from the pre-Christian Empire of the third century. He gives King Arthur half a page and suggests that he is only the smoke from a bonfire of late Celtic legend. Here, perhaps, he is too impressed by the latest attack on Camelot and its shaky history. The new villas and the important finds in London are done ample justice. Fishbourne's palace and its owner are put in context without too much stress on the name of Cogidubnus. The power of the Druids is rightly questioned. One or two discoveries deserved more emphasis, not least the wooden writing-tablets found in pieces at Chesterholm. These included phrases from private letters and accounts, a rare insight and datable to the early second century.

The limits of this book are the limits of the subject and the evidence. Far the most interesting chapters concern historical geography, social and economic straws in the wind and the links between town and country which archaeologists are so well able to enliven. Enthusiasts for Roman Britain and life in the Empire will applaud them throughout. Definitions take a front seat, when is a village a town, or a villa just a farmhouse. Roman and "native" are exposed as dubious terms which conceal too many possibilities, while the pre-history of those "Belgic" camps and European cultures is no longer written so simply. Where written history vouches for change, archaeology helps to adjust the picture. Pre-Roman chieftains, Agricola's drive to Romanise the natives, Saxon immigrants and the fall of Roman power: texts fix these themes for us, while objects from the ground remind us that the changes were not all in the same direction. Before we romanticize Britain as it was before Caesar we should remember the slave-chains and manacles now known in pre-Roman Park Street.

Statue of King Alfred at Wantage: one of the illustrations to the paperback edition of Robert and Monica Beckinsale's "The English Heartland" (Duckworth, £6.95, 434 pages)

Texts, however, are very few and without the po-faced pages of Caesar or the brilliant sketches of Tacitus there would be no important history to be written at all. Here, the evidence has not increased. Boadicea and Agricola, Cartimandua and Caratacus look much as Collingwood left them, though Agricola's predecessors continue to seem less grim than his son-in-law, Tacitus, had tried to claim. Between Tacitus and Gildas lie four centuries of darkness. Meanwhile, Mr Salway does his best with the changes of frontier lines and the likely whereabouts of various units and legions. He takes for granted a growing debate on the "general policy," if any, of emperors and their supposed staff-advisers in Rome. That may be premature, as initiatives may have been local and more haphazard. As a narrative, these central sections of his book are an unavoidable blank. This sort of history of Roman Britain does not exist and never will.

Beyond the texts, it is a matter of which sort of guess you prefer. Mr Salway follows modern fashion in keeping most guesses about literary texts for his footnotes while giving full space to guesses about objects in the ground. I am not always sure that this is an improvement. "Analogy," he writes, "is a useful basis for hypothesis but an insecure foundation for belief." When texts run out, analogy returns nonetheless, trying to prop up the narrative with parallels of Britain and Europe, modern Ireland and the U.S. or the 1974 reforms of local government. There will soon be a good book on archaeologists and the sort of analogies which they use to explain yet another fort or house-pit. In late third-century Britain country villas seem to multiply, while towns in north west Gaul appear to be falling apart. Nobody knows what sort of crisis, if any, this reflects, but the guesses do at least remind us of new possibilities. The latest and most seductive is a flight of capital from anxious Gallic townsmen building bolt-holes in the British valleys. Certainly, many villas and estates will have belonged to absentee outsiders. Likewise, the pattern of an urban pied à terre and a major second home in the country is now thought to be as old as civilised life in our island.

At the end of it all, I cannot help wishing that our province had been more important. Peter Salway has drawn together a mass of material with great skill and has rounded it off with acute and sensitive sketches of Britannia's possible economy and social accomplishments. But if only all our local history societies had had Turkey or Syria on their back doorstep. Roman Britain remains a footnote to an Empire whose history lies elsewhere. This is as wary and informed a survey of that footnote as its enthusiasts could wish.

Aubrey Beardsley's pseudo-mediaeval illustration for the 1894 edition of Malory's "Le Morte d'Arthur": it is one of many handsome plates in "The History of The Illustrated Book" by John Harthan (Thames & Hudson, £25.00, 288 pages)

Azure amours

BY ISABEL QUIGLY

Voices in the Garden by Dirk Bogarde. Chatto and Windus. £6.95. 338 pages

Love, Dad by Evan Hunter. Michael Joseph. £7.50. 407 pages

The Runner by Ian J. Burton. Weidenfeld and Nicolson. £6.50. 145 pages

The Cypress Room by Gillian Nelson. Bodley Head. £6.95. 235 pages

Dirk Bogarde is a man of varied talents, not just an outstanding actor but a good writer (as his two volumes of memoirs have shown); and now a novelist who can also paint and design the jacket of his new book. This second novel of his, though not directly about actors or acting, deals with the broad aspects of theatricality—fantasy, illusion, the split between the subjective and the objective, the inability to face reality, fact, truth (and what are they all?), trompe l'oeil both physical and metaphysical. This may sound ponderous but it isn't: Chinese boxes, puzzles within puzzles, suggest much more than they say.

First there's historical illusion. A handsome young Englishman, Marcus, turns up at a villa on the French Riviera to rescue its mistress from suicide in the sea and, to her elderly historian husband's amazement, turns out to be the double of l'Aiglon, Napoleon's son, about whom he knows all there is to know.

The boy is made much of, and his German girlfriend, Leni, welcomed with him. Second fantasy: Leni, from an aristocratic landowning family in Schleswig Holstein, has run away to London where she pretends to be the illegitimate penniless child of an American soldier in the post-war fraternisation period; and, another fantasy, while Marcus works for a firm which supplies film companies with their elaborate props, together the pair of them satisfy fantasies of a not-quite-pornographic sort with "artistic" photographs of schoolgirls and St Sebastians.

Enter, on the Riviera, an Italian film-maker hoping to put l'Aiglon on the screen, and assorted others who, at a great setpiece picnic in the villa garden, work up to a violent climax. Exit, at last, all visitors leaving solitude, tenderness, and approaching death: the coming extinction of a way of life, the end of the villa and its garden.

Bogarde writes very agreeably, with humour, occasional wit, and the actor's sense of timing: and his descriptions are sometimes dazzling. Now and then he overstates, examining too explicitly things already implicit in action or dialogue or in the pattern of relationships. But his people interact in a credible way, one comes to like them and feel with them; above all one comes to understand their deceptions and delusions.

Love, Dad is an irritating and embarrassing though accomplished novel, set in the heady America of the late sixties, when Vietnam loomed angrily, caps were flung over thousands of middle-class windmills, and four-letter words, in fiction at least, became as much a part of domestic chatter as marijuana became part of everyday life. Dad of the title is a top photographer who adores—with almost incestuous intensity—his daughter Lissie who, in totally conventional style "drops out," becomes a hippy, wanders the world with assorted men and at last, with a peculiarly destructive black one suitably named Sparky, wrecks his and his new wife's apartment. After which they break up, daughter having been replaced (the pattern is made clear) by a wife not much older than herself.

Evan Hunter is the thriller writer Ed McBain when he isn't being thrilling, the author of several successful novels and film scripts (including Hitchcock's *The Birds*); intelligent and professional, then. But *Love, Dad* has two, to my mind, fatal flaws. As a documentary novel of the late 1960s, it smells heavily of paste and scissors, if scissors can smell; and it has a bland, self-indulgent manner that excludes all irony, all criticism or humour in its treatment of the characters. No one comes alive, develops or catches one's sympathy. The surface realism — sleek, exact, photographic — is amazing, but that isn't what makes a work of art, good writing, or a memorable experience.

The Runner, though technically incompetent and realistically something of a mess, is artistically more interesting, a second novel (that hardest one to bring off) set in that hardest of territories to bring fictionally alive — Michael Frayn country, the office, the company. It deals with rivalry and competitiveness, the ups and downs of home life not so much as "reality" but as a background to the office, the littleness of huge events like death in a routine that must continue whatever happens, and — not very successfully introduced — the dreams, the subconscious life of very ordinary men in "middle management," none very memorable yet moved about in a way that suggests talent and dexterity, a mind worth meeting and a pen worth watching.

Lastly, an intelligent romantic novel, if such a thing (which to many may seem a contradiction in terms) is possible. *The Cypress Room*. Three Urquhart sisters ("the bold, the bad and the beautiful," as someone describes them) lead intertwined lives in Scotland — Edinburgh and the Highlands — from the late nineteenth century to 1929, their story, intertwined with her own, told by the daughter of one of them. The action, when considered coolly, is a little preposterous and the writing sometimes overheated; but there's force and good observation and the sort of "presence" in the narrator that carries you along: the glittering eye of the born storyteller.

Gordimer's guess

BY MARY HOPE

July's People By Nadine Gordimer. Jonathan Cape. £5.95. 160 pages

Like people mesmerised by a snake, South African writers are increasingly obsessed by the extreme horrors and contradictions of their woeful country. Prophetic literature, post-apocalyptic vision, is on the increase: Karel Schoeman's *Promised Land* is a bleak portrayal of white society pushed into a "homeland," like today's blacks; J. M. Coetzee's brilliant *Waiting for the Barbarians* examines justice and corruption in an allegorical setting. Both are powerful novels, unafraid to look into an increasingly unavoidable abyss. Now comes Nadine Gordimer, who has not previously ventured into prophesy, but whose novels and short stories for brilliantly into the confusions, evasions and complexities of the white (usually liberal) stance in Southern Africa. No one has more scathingly and sympathetically exposed the paradoxes of a society in which the choice of how to live well is so impossible.

If novels are about how to live, and how others live, this new work is adventurous, powerful and despairing. It is set in a kraal, somewhere in the Bush. The war has finally come: the shopping malls of Johannesburg are running with blood, black fighters are supported by Russians and Cubans. Bam and Maureen Smales, an ordinary, decent, youngish white couple have been rescued by their servant, July. He has brought them to his own people, and given them his mother's hut.

Gradually they learn to eat mealie meal, pick grass for thatching, choose the right plants for food and medicine. A whole way of living utterly foreign to them, although they have spent their lives in intimate daily contact with blacks is gradually revealed, just as complex as their own white way.

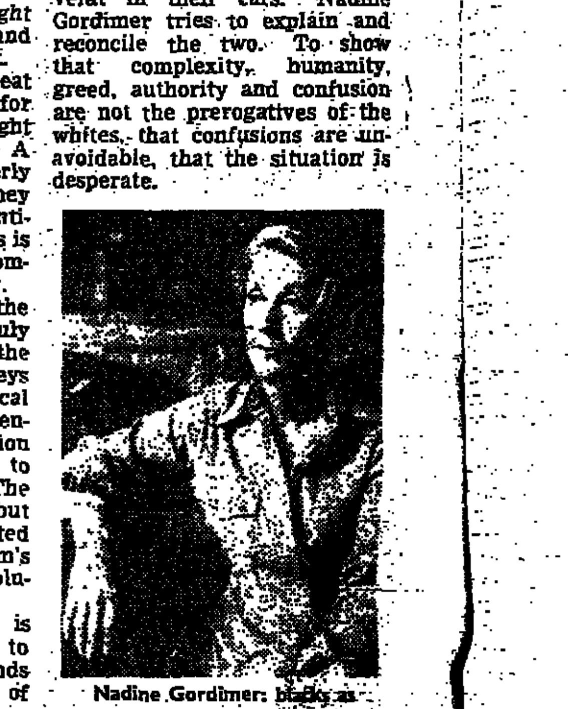
Conflicts, of course, arise: the power struggle continues. July asserts his authority in the battle for possession of the keys to the pick-up truck, the focal symbol of white privilege, rendered useless in a situation where the whites are forced to hide it in a roofless hut. The village chief, poor, ignorant, but secure in his inherited authority, demands to use Bam's gun, to fight off the revolutionary blacks if necessary.

The gun is stolen. Bam is broken by this final affront to his status. The book ends mysteriously with the arrival of a helicopter, whether white or black is not revealed, and Maureen runs towards it, leaving her family behind. Either way, it means, probably, disaster. In South Africa, there is nowhere to run.

Once again, Nadine Gordimer's acute consciousness of the complicated and absolute inter-relationship between people and land is paramount. She is continuing to expand the central point she made in *The Conservationist*, still probably her greatest novel: the dead African lying buried by the river a constant taunt to the proprietary efforts of the white boss. In *July's People*, the foot-beaten earth of the hut floor, so different from the manicured flooring of white hotel rondavels, becomes a symbol for the link between the Africans and their country, and the lack of such contact in the whites. Plants and animals known from holiday hunting trips are now of vital importance. The way in which, in a dislocated and sophisticated world, objects and people lost their true worth and purpose is one of the main points of the book.

In various and different circumstances, certain objects and individuals are going to turn out to be vital. The wager of survival cannot, by its nature, reveal which.

There can nowhere be a more disjointed society than South Africa: the other, village life of the urban black is usually unknown and ignored by the whites who swish through the veldt in their cars. Nadine Gordimer tries to explain and reconcile the two. To show that complexity, humanity, greed, authority and confusion are not the prerogatives of the whites, that confusions are unavoidable, that the situation is desperate.



Nadine Gordimer: blacks as protectors

Crimes in Oxford and L.A.

BY WILLIAM WEAVER

Sunspot by Desmond Lowden. Macmillan. £5.50. 220 pages.

The abbreviation PURL is one that police forces hate to see. It stands for Pathology Unmoved, Repeater, Local; and it inevitably means nerve-racking, meticulous investigation often in the midst of widespread panic. During Carnival Week at a seaside town, young girls start being murdered, all of them roughly at the same time of day. And for those crucial hours, the obvious suspects have unshakeable alibis. The conflict between the TV-influenced Metropolitan CID men and the simpler, quieter local forces adds to the tension. The hectic holiday atmosphere is beautifully described, and the characterisations—within the confines of the genre—are telling.

A Choice of Crimes by Lesley Egan. Gollancz. £5.95. 180 pages

Surely the Los Angeles Police Department must have a bibliography comparable in length with that of Henry James or Mozart. Lesley Egan confines herself to the Glendale branch, but even that relatively quiet neighbourhood has its fair share of crimes, some baffling and some merely bloody. The latest Egan is straightforward police procedural, maintaining a happy balance between descriptions of the cops' home lives and their professional activity.

The Dead of Jericho by Colin Dexter. Macmillan. £5.95. 224 pages

Colin Dexter's last book *Service of All the Dead* won the Silver Dagger Award of the Crime Writers' Association, and richly deserved it. This new crime story, also set in and around Oxford, is on the same high level of achievement. The narration is deliberately low-key, and the plotting is complex almost—but not quite—to the point of bewilderment. But the persuasive, unorthodox figure of Detective Chief Inspector Morse serves as an excellent conductor, tying all the scattered threads of the story together neatly.

Lord Mullion's Secret by Michael Innes. Gollancz. £5.95. 192 pages

Calling one of his characters "Gore" is Michael Innes's little joke, because there is no bloodshed at all in this delightful volume. There is mystery without murder, and with a certain amount of love. Charles Honeybath, the author's familiar Academician, is summoned to a stately home to paint the portrait of its lady, the wife of an Earl, an old school-friend. He finds himself in Mitford territory, with Bright Young Things and an aristocratic pair that could almost be Farve and Muv. Admirably acute dialogue. Not a word is wasted in this exhilarating performance.

Death in a High Latitude by J. R. L. Anderson. Collancz, £5.95. 221 pages

Why would a group of German terrorist-kidnappers want a 17th century map of the Arctic? That is only the first enigma in this elaborate series of puzzles, involving exploration, oil prospecting, cartography, and several other abstruse areas of science.

Home truths

BY ANTHONY CURTIS

Words on the Air by John Sparrow. Collins. £7.95. 263 pages

What is the difference between pride and vanity? Why has "discrimination"—etymologically the same as "discernment"—become a dirty word? Is it possible to have too much of some things in themselves good, like liberty, humanity and equality? Why are the latest generation of young men so fond of growing beards?

These are but a few of the questions to which the former Warden of All Souls devotes formidable powers of argument. Many of the essays were, as the title of the collection implies, originally the scripts of radio talks, some on individual words are very brief, only five minutes; others extending to 20 minutes or more. The final and most substantial pieces "Too Much of a Good Thing" are made up of three lectures before an American audience.

Even when robbed of the benefit of the author's emphases of voice, the talks retain their liveliness and intimacy on the printed page. Sparrow is a masterly and witty broadcaster who knows just how much and how little to load into the time at his disposal; and how important it is on the air to make your main point at least twice without appearing so to do. The suspense is sustained brilliantly until the last word.

Sparrow takes some of the most hallowed tenets of contemporary society and pecks away at them, like a woodpecker drilling a tree until by the end they are reduced to sawdust. Many enlightened readers of the book will find that some of their most cherished beliefs will need drastic re-drafting. And yet while one is exhilarated by the author's dazzling, logical tours de force, some disquiet remains as to whether he has really come to terms with the changing world whose problems he dissects so elegantly. His view seems always to be through glass, either the window of his car (of which he is clearly very fond) or his house:

For 25 years, from 1952, I lived in a house with windows overlooking the High Street of Oxford. It was an ideal vantage point for observing the student youth of England and their changing life-style. I can only say that the alteration that has come over the outward appearance of the average student during that period is phenomenal—and in my opinion, horrifying. Shock-headed and dishevelled with hair that seems to have run to seed, hiding neck and ears in a whiskery overgrowth, they pad along the city pavements in patched and dirty jeans.

An ideal vantage point maybe; but a somewhat remote one. If only he had during that time gone down into the street and talked to some of the people he was observing and engaged in a few conversational exchanges with them, then one feels we would have had a rather different and an even better book.

Little daffodils with charm

AT THE moment, alongside the fat bulbs of the familiar garden daffodils on display in garden centres, there will probably be a few trays containing the much smaller bulbs of some of the wild daffodils among them the hoop petticoat daffodil, *Narcissus bulbocodium*. Anyone having seen this tiny charmer filling the short grass of the alpine meadow at the Royal Horticultural Society's garden, Wisley, with its little crinoline shaped flowers, all expanded corona with only the smallest of perianth segments, may well feel disposed to buy some for their own garden.

This is sensible enough provided two things are understood, one that the daffodil species are not, in general, quite as easy to grow as the garden hybrids and the other that they can vary quite a lot according to the locality from which the original bulbs or seeds were collected.

Narcissus bulbocodium grows wild in many parts of Spain and Portugal as well as in France and North Africa and with this wide distribution has developed many forms which not only differ in appearance but also in the kind of conditions they require. Many insist on acid soil, which is what they have at Wisley, but a variety named *citrinus* will grow in a much wider range of soils including some that contain chalk and are therefore alkaline.

As this is also a particularly attractive variety with exceptionally large "crinolines" it is one of the best to plant but it is unlikely to be the one on sale in garden centres. Instead it will have to be obtained from specialist bulb firms of which there are now several. The Broadleigh Gardens catalogue, one of those that includes it, makes the interesting observation that those hoop petticoat daffodils which increase by seed always flower well whereas those that spread by splitting their bulbs are likely to be flowerless after a few years. *N. bulbocodium obesus* is one of the kinds which produce fertile seed freely and so this is another point in its favour.

The cyclamen flowered narcissus (*N. cyclamineus*) is another miniature species that, in its totally different way, is just as distinctive and charming as the hoop petticoat daffodil. Its corona is narrow, like a little tube, flared at the mouth and with narrow perianth segments folded upwards so increasing the attenuated appearance of the flower. It

GARDENING

ARTHUR HELLYER

grows best in partially shaded places and rather moist soil and it does not like being transplanted.

Therefore purchased bulbs may take a year or so to settle down again before they start to flower well. This species produces seed freely and it is by self sown seedlings that it is usually most effectively spread. But it is sensible to give it a helping hand by collecting well developed seed pods in June-July, ripening them for a few more weeks in paper lined trays in a sunny window and then scattering the seeds wherever there seems to be a suitable place for them.

Narcissus cyclamineus has been a prolific parent of garden hybrids none of which quite matches its elfin charm but all of which are excellent garden plants, mostly a little larger than the true miniatures. They include February Gold, February Silver, Peeping Tom, Jack Snipe, Dove Wings, Tete-a-Tete, Little Witch, Jenny and Beryl and I recommend all these to anyone starting a collection of small daffodils. They are easy plants to grow in any reasonably fertile soil and open or partially shaded place and many of them show that special kind of lustiness which we refer to as "hybrid vigour."

Narcissus triandrus in any of its several forms is always exquisite but it is not the easiest of species to grow and it is as a parent of hardier and more vigorous hybrids that it has proved most useful to gardeners. The flowers are carried in loose nodding clusters, the corona bell shaped, the perianth segments swept upwards. The wild form most commonly grown is pure white and is known as Angel's Tears but there are also yellow forms and one of these, named concolor, is offered by some minature daffodil specialists.

However its colour can be variable for this is a natural wild variety increasing by seed, not a selected garden form increased solely by the multiplication of its little bulbs. So if you covet a really good yellow *N. triandrus* concolor, not a mere creamy yellow, it will be wise to make certain that this is what your supplier can offer.

No such problem arises with the numerous hybrids of *Narcissus triandrus* since these are garden varieties kept true to type. Silver Chimes and Thalia, both white, and Liberty Bells, lemon yellow, are three of the most popular and are all larger than Angel's Tears but there are also smaller kinds such as Hawera, lemon yellow, and April Tears, in two shades of yellow. All these are ideal miniature daffodils to plant in sunny rock gardens, or on raised rock beds.

The first miniature daffodil to flower and also the smallest is *Narcissus asturiensis* which used to be called *N. minimus*, a good name that reminded one what a tiny tot it is. It is a mere three ins high with trumpet flowers to scale and the best way to see it to perfection is to plant it in a pan of gritty soil and grow it in a frame, unheated greenhouse or sunny window. A more reliable miniature trumpet daffodil for outdoor planting is *N. minor* which is not much bigger than *N. asturiensis* but has the good sense to flower in February rather than in January when the weather can be atrocious for such small plants.

The jonquil (*Narcissus jonquilla*) has been a favourite for centuries, loved both for the grace of its clusters of small deep yellow flowers and for their sweetness, the richest of all daffodil scents.

There is an old double flowered variety known as Queen Anne's Double Jonquil but this appears to have become very scarce. The jonquil has also produced numerous hybrids of which the finest is Trevithian though this cannot quite be classed as a miniature since it grows about 20 in high and has quite large golden yellow flowers. It is a handsome garden plant, excellent for naturalising in grass since it has plenty of vigour.

N. juncifolius, which is closely allied to the common jonquil, is a genuine miniature with rush-like leaves and little yellow scented flowers on three in stems and *N. watieri*, another of the jonquil group, is just as tiny, purest white but lacking the distinctive jonquil scent. Both can be grown outdoors provided they are well cared for and not overrun but are really safest in pans of gritty soil in a sunny, protected place.

Churchilliana

Timed to coincide with the current ITV series Martin Gilbert's Winston Churchill: The Wilderness Years (Macmillan £8.95, 279 pages) tells in a concise style the story of Churchill's activities out of office in the 1930s until the beginning of the second world war. For those readers who wish to know in detail with full documentation how Churchill rebuilt his political career during that time, from dozens of personal contacts on both sides of the Atlantic, there is Mr Gilbert's latest scholarly tome, Winston S. Churchill: The Wilderness Years: Companion Volume V part 2: 1929-1935 (Heinemann £65.00, 1,404 pages).

Later this month the French historian François Kersaudy will publish his account of the relations between Churchill and De Gaulle (Collins £12.95, 476 pages) while October will see the publication of Anthony Seldon's Churchill's Indian Summer: The Conservative Government 1951-55 (Hodder and Stoughton, £14.95, 645 pages). This is the first of three volumes, covering the 13 years of Conservative Government from 1951-1964, by a research fellow of the London School of Economics.

A.C.

HOW TO SPEND IT

by Lucia van der Post

From small beginnings. . .

TWO heart-warming stories this week of young men who've had a good idea and instead of sitting about thinking that maybe one day they would do something with it, they went out immediately and brought them to life. No matter how gloomy the circumstances seem, they are proof that if the idea is good enough, the product one that people actually want and there is enough commitment and conviction behind it, then, even in today's climate, they can succeed.

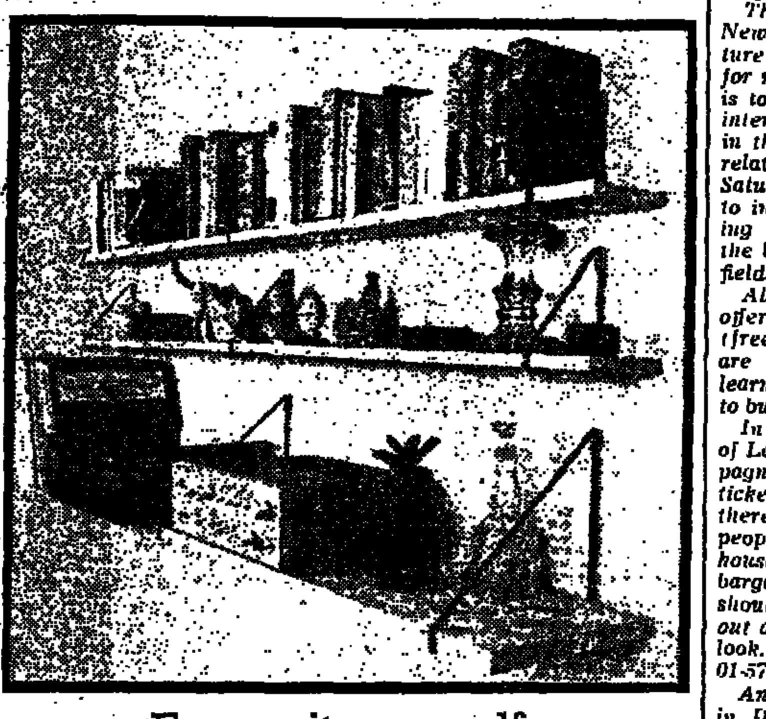
First, the story of Sling-Shelf. Tony Wallis and Henry Bowler-Reed were both experts in antique clock restoration and were working for the aptly named Time Restored when they themselves needed some shelving put up. In the time-honoured way that new intentions are discovered they fiddled about with what they had to hand—in this case some wooden boards and some steel-braiding, of the kind usually used for tieing up packing cases. Though the result worked it was by no means perfect but it set the two men thinking that there must be a simple answer to immediate shelving needs.

When they came upon some heavy duty polyester/polypropylene material they realised they had found the answer. By using this high grade strapping material they were able to devise one of the cheapest, simplest and strongest shelving supports yet made. As you can see from the photograph each bracket is fixed by means of only one fixing (most systems have at least two, some have three). The bracket itself isn't rigid, as in most systems, but is very flexible being made from this strong but pliable strapping material.

In addition, the method of fixing gives the support great strength. In most systems the shelf sits on the bracket and the weight of it tends to ease the screws outwards. With Sling-Shelf the weight of the shelf pulls both outwards and downwards, thus giving much greater shear strength.

It is extremely easy to put up—a hole should be drilled where the sling is required to be fixed. A rawlplug should then be inserted into the hole. After that the Sling-Shelf should be screwed tightly into the wall through the hole in the clip. All that remains is to insert the shelf through the loops to form the shape of a right-angled triangle.

When you buy Sling-Shelf you get a clear plastic packet containing a pair of slings, a pair of rawlplugs, a pair of screws and full instructions.



Confidence is all — Peter Edge-Partington, above, of Sling-Shelf demonstrates just how strong the fixing bracket is while right Sling-Shelf is shown in more normal use.

The sizes of the slings vary depending on the width of the proposed shelf so when ordering always state the width (that is, the measurement from back of wall to edge of shelf). The price is the same, £2 a pair, no matter what size is required.

You do, of course, have to provide your own shelves—you may use anything you like from cheap planks, if you propose using it in a garage or workroom, to polished mahogany, varnished pine or even marble.

For a pair of slings send £2 to Sling-Shelf, Pewsey, Wilts, SN9 5AQ. Remember to state width of shelf (up to 16 inches) and colour of sling—choose from clear, black, red or yellow.

Since the early days when Tony Wallis and Henry Bowler-Reed were developing the idea things have moved ahead quite fast and now there is not only another director, Peter Edge-Partington, who was brought in to help with the burgeoning business but the company has been granted a Government small businesses loan to help with expansion and development.

John Ralli and Anthony Royds of Fix-A-Frame

Frame it yourself

The next successful small enterprise is called Fix-a-Frame and is to be found at 280, Brompton Road, London, SW5. Not strictly an original idea in that the two founder-owners first saw a venture of this kind in America but it is certainly a first in Britain.

The idea behind Fix-A-Frame is that it offers a do-it-yourself picture framing workshop where members of the public may come and frame their own pictures under the expert guidance of those in the workshop. John Ralli and Anthony Royds are the two young men behind the venture and they find that it has been a huge success—artists use it when they have to frame pictures in a hurry for an exhibition, people come up for the day from the country with bundles of things to be framed, experts from Christies, old-age pensioners who find it fun, they all turn up and learn to have a go. There is always some sort of music playing (the owners choose it to suit the mood of the customers) and most people seem to find the whole process very rewarding.

When a customer comes in with his picture or poster for framing, it is first put up on a magnetic frame where a whole range of mounts and frames can be tried against it to see which would suit it best. The staff then measure it, cut it to size and show the customer how to put the frame together. Second-timers, of course, often need no more telling. All the expert services, cutting the frames, the mount and the glass, are provided by the shop, but the customer learns to do the less skilled parts himself.

The whole operation takes about 50 minutes for a wooden frame, about 30 for a metal one, and costs about a third less than the conventional one-week framservice that Fix-A-Frame also offers. As a sample price—in the cheapest frame possible a 10 inch by 8 inch picture would cost £3.29, 17 inch by 22 inch (small poster size) would cost £7.58 and big poster size (but beware, not all the cheapest frames can support the heavy glass this size takes) would be £10.08. The prices include everything—glass, backing, hanging wire and dust sheet. An oil painting, which doesn't need glass, would be correspondingly less. There are about 150 different styles of frame to choose from, ranging from the simplest wood or aluminium ones to the gilded and highly ornate.

If you'd like to have a go yourself, Fix-A-Frame is open from 11.30 am to 8.30 pm from Tuesdays to Fridays, from 10 am-6.30 pm on Saturdays.

Round and about

ANYBODY with a serious interest in design, whether domestic or contract, whether an architect, industrial designer or just a domestic consumer, will welcome a new venture started by a group of 12 of our most design-orientated shops and manufacturers. It is called Designer's Saturday and it is hoped that it will become an annual event. This year's Designer's Saturday will be held on October 3 and what it really amounts to is that the 12 participants will all hold what could be called open-house for everybody interested in what they are doing and producing.

The idea behind it came from New York where a similar venture has been a great success for more than a decade. Its aim is to make it easy for all those interested in what is happening in the design world to see in a relatively short time (and on a Saturday so that they don't have to interrupt their normal working schedules) a collection of the best of current design in all fields.

All the showrooms will be offering refreshments and lunch (free!), all interested people are welcome to browse and learn and look without pressure to buy.

In the evening in the Museum of London there will be a champagne reception — for this tickets will cost £4 each and there is room only for 1,000 people. British Rail and Trusthouse Forte have put together a bargain weekend package which should help induce those from out of town to come and have a look. Telephone Liz Carter on 01-579 9101 for details.

Any of the firms participating in Designer's Saturday (Hille, Aram Design, Liberty, Herman Miller, Oscar Woollens, Interspace, Environment, Domus, Ergonom Scott Howard, Baumann Kendix, House of Sweden) will be happy to supply information and printed leaflets and maps.

TWO NEW books for those who are interested in furnishing their homes. First, there is Rugs to Riches by Caroline Bosly, whom readers may remember is one of the few women international rug brokers. Her book is a comprehensive guide to everything you need to know about oriental rugs—how to buy them, what the choice is, how to sell them, how to make sure if they are hand- or machine-made. Published by George Allen and Unwin, £9.95, no rug collector should be without it.

The second book is the kind of book that anybody who ever moves house needs to have at hand—Lorraine Johnson, who wrote it, calls it simply The Decorator's Directory, and that is exactly what it is. It tells you how to get a Chesterfield repaired, where to go for a fireplace, gives a run-down on the manufacturers of bathroom equipment, on the myriad varieties of flooring available, gives the options on cookers, on storage—in other words almost everything that most of us need to know at some time or another.

It doesn't pretend to make any sort of judgments as to taste—there you will find a reproduction Doric column (I suppose somebody somewhere may want one), ornate vinyl sheeting and "Chippendale-style" mirrors—what it does hope to be is comprehensive so that whatever it is you want, you ought to find an address in the book that will lead you to it.

I certainly would not want to move house again without it. It is published by Michael Joseph and costs £9.95.

Anne Morrow.

Who's wearing the trousers now?

IS THERE ANYBODY left out there who still feels ill at ease in trousers? If so, they had better make a real effort to make friends with them because I never remember a season when trousers have been quite so important. Fortunately for those of us who aren't shaped like Farah Fawcett, there are trousers to suit almost all the shapes that God chose to make.

For those who still feel hesitant about which version to wear, or indeed, whether to wear them at all, I recommend devoting an entire half day to trying them on in your favourite shop. Experiment with winter versions of Bermuda shorts, with the romantic-looking breeches, with soft swirling culottes (shaped so like skirts that the timid could pretend they were), with jodphur-shaped trousers or, if you really feel all that is too much, then try on a pair of soft, pleated, full-length trousers that are narrow at the ankle. Above all, never wear them too small.

I guarantee that many of you will be surprised at how many of the different shapes now in the shops not only suit you but feel right for the coming season.

How you then wear the trousers makes or breaks the look. Flattie shoes or low-heeled brogues look best and matching tights, either ribbed or patterned and sometimes sparkly, pull the outfit together. You should then add frilly shirts or knitwear (of which a delectable selection is now going into the shops, even into the least expensive chain-stores). Top it all with what we now all follow the Americans in calling The Big Sweep (shawls, wrap-arounds in Paisley or Liberty patterns, or in cashmere if you can afford it) and you have all the component parts for the great romantic look.

If you are feeling nervous about it all (and especially for those who are not-so-young, it does demand quite a change of direction from those tailored trousers of yester-year) then the Benetton shops once again offer one of the easiest and least expensive ways of putting the look together.

Sketched here above, are two ways to look this winter—both from Benetton shops. The great advantage the shops offer is that all the separate parts of "the look" have been colour-matched and pre-selected. So given that you choose say the plus fours in the sketch you will be able to find a whole series of shirts, sweaters, tights and gloves that will either match or tone.

This winter's colours chez Benetton are of the beige, brown, ochre, green, brick spectrum. The plus fours are £15.20, the mohair jumper worn with it is £16.60 and the open-collared shirt (100 per cent cotton) is £10, and the tights, £6.20.

The Bermuda shorts on the right are wonderfully comfortable and easy to wear—in a whole range of colours they are £14 a pair. Worn with them is a buttoned collar shirt, £10, a plain toning scarf, £6.80, a checked cardigan (100 per cent wool) for £19.60 and gloves at £4.40.

Benetton shops are now to be found at 40, Hampstead High Street, London, NW3. 129 Kensington High Street, London W8, 23, Brompton Road London. SW1 and 6, South Molton Street.

Outside London there are branches in Bath, Brighton Dublin and Cork.

The Isokon Long Chair lives

ON SATURDAY, August 22, I mentioned on this page that the famous Isokon Chair was no longer going to be in production. The chair, readers may remember, is a particularly pleasing and timeless design that was designed by Marcel Breuer for the Isokon Furniture Company in 1936.

When I wrote about it recently I was under the impression that there were no plans to go on producing the chair. I am happy to report today that the chair was already in production by Isokon in America and that plans are underway for production to start again in Britain. I understand that John Alan Designs have had certain rights from the Isokon Furniture Company to make and sell the long chair and that at the instigation of Isokon that agreement ceases on 25th September. It is good news that the chair is still with us and as soon as there are precise details about when and where it will be available in Britain I will certainly let readers know.

Finely wrought

IF YOU'RE looking for a pair of handsome wrought-iron gates, or maybe just a door-knocker or an iron-grating, then would you know how to set about finding them? It is one of the charms of Britain that tucked away in small villages up and down the country one can still find the old, traditional crafts being practised and, if you know where to go, you can still order a pair of exquisitely wrought gates, a hanging lamp or some scroll-work, all made with the same care and skill that blacksmiths have applied down the centuries.

One of the best ways of finding out exactly how to track down these old craft traditions is to go through CoSIRA (the Council for Small Industries in Rural Areas, now at 141, Castle Street, Salisbury, Wiltshire) and it is through its efforts that many of them have managed to survive.

If it is wrought-iron work that you are after then the Somerset Smithy in Frome could be the place for you. Run by the intriguing partnership of a young woman, Jane White, whose family have owned the smithy since 1920, and Jim Holley, a 46-year-old experienced blacksmith, it is well worth a visit.

The Somerset Smithy not only offers to make things like spiral staircases, carriage gates, railings, weathervanes, lanterns and so on, but it can take on conservation, restoration or ecclesiastical work. If you fancy say, a pair of gates or a lantern, but aren't sure of how you would like it to look, then one of the delights of the Somerset Smithy is that the potential client can spend a delightful hour or two browsing through the scores of drawings and designs produced by John White, the original founder of the smithy. Also there for clients to see are many original pieces—intricate hanging lamp holders, pokers with twists encapsulating leaves and acorns, the exceedingly decorative "pots-of-flowers" double gates (shown here) all bear a strong resemblance to John White's early designs.

The Somerset Smithy can be found at Chirstchurch Street West, Frome, Somerset (tel Frome 62609).

ARTS

I like old voices

BY B. A. YOUNG

For six Saturdays in a row, Radio 4 has given us half-hour debates by young people under the name of *New Voices*. (I wonder how many young people stayed at home until 11.15 pm to listen to them.) New voices they may have been, all 17 of them, but there were precious few new opinions. The young black who said that violence was all right as long as nobody got killed at least introduced a new subordinate clause into what seems to be an opinion widely held in some parts. The young man who suggested that gay couples should be allowed to adopt children had courage. But mostly we heard what we have been hearing, and reading, for a very long time, about sexism and racism and democracy and the media (generally used as a singular noun).

Now it's pleasant to hear young people talking about anything at all; but it's terribly discouraging to hear the way they talk in ready-made thoughts. A very nice girl observed that "We're in issue-politics, not party-politics." No young person could possibly use grisly English like that unless he or she had picked it up somewhere else. If only they would think for themselves and put their thoughts into natural speech! My happiest moment in my sporadic listening to these programmes came at the conclusion to the last of them, when a girl who was asked what change she would like to see in society said, "We'll, actually, I'd like to see a Channel Tunnel."

It seems to me that Barbara Myers, in the chair, was too easy-going. Here is a girl who claims that there have been societies before ours that were matriarchically based, with the women on top, as the Oxford Union put it. Have there? Shouldn't she have been asked what they were? We all know about the Trobriand Islanders, if we have access to a good encyclopaedia (see under Malinowski); but surely theirs is not the kind of society we ought to be striving for. One chap said we should go back to a "caveman democracy" where men and women had an equal say in things. What makes him think that cavemen, best known to us for their habit of courting their brides with a bludgeon, lived in any kind of democracy at all? The most democratic people I ever met are the Bushmen in the Kalahari; yet with them it's still the women who cook the food and bring up the children.

And talking of voices, for much of the past fortnight I've been spending all day listening to tapes of radio plays selected by their producers as the best they have to offer. This has confirmed my belief that radio acting is almost as artificial as the iambic pentameter.

I suppose this is how it must be, there being only a limited supply of actors as expressive as John Gielgud or Peggy Ashcroft. The words are always read from a script, and rehearsal time is a matter of three or four days at the outside. So you can almost always tell from the pronounced accentuations that they are being read. Then actors in radio plays sigh, and gulp, and moan, and pant, more than their colleagues on the stage.

These little punctuations correspond to the small, vital gestures that help build up a character on the stage. I heard a play on Radio 4 last Wednesday called *Don't I Know You?* by Graham Swannell, in which virtually nothing happened but a contrast of characters. Well, I say "nothing": Howard (Hywel Bennett) left his wife (Rosemary Hale), visited his mother (Patricia Hayes) and tried to make another girl (Nerys Hughes), but this was just a catalogue of unrealised relationships. What made the production interesting was the four opposed personalities—Mr Bennett flat and uninvolved like someone from Simon Gray; Miss Hale shrill and anthropophagous; Miss Hayes angling for love with unwanted favours; Miss Hughes anxious for a platonic satisfaction.

These four all came to life by the use of the little artifices the microphone demands. The previous Saturday we had an elaborate piece on Saturday Night Theatre; Harry Harrison's *The Technicolor Time Machine* (adapted for radio by Chris Boucher) that included in its cast an American film director, the head of a great Hollywood studio, a Swedish philologist, a Chinese script-writer and a Viking of the year AD 1005, speaking Old Norse. None of them came to life at all, in spite of the presence of actors like Richard Pearson and Lee Montague. Even the play didn't come to life, though it included the transfer on a time-machine of an entire film studio from Hollywood in our own time to Scandinavia, Iceland and Newfoundland at the beginning of the 11th century.

Breathing life into Ancient Egypt

BY WILLIAM PACKER

The British Mueum was always an impressive place, and the old Egyptian Sculpture Gallery perhaps most impressive of all, fixing the earliest schoolboy memory with a sense of the darkest, most ancient presence, massive, implacable, awful: and certainly not a place to linger in. One would indeed far rather contemplate the corpses, bones and mummies upstairs. It would appear to have been the common feeling, for in a strange way that great gallery became over the years a kind of corridor, somewhere to dodge through on the way to Greece, or Assyria, the wonderful objects it contained manifestly there yet curiously unseeable, inapprehensible.

A rearrangement of readjustment of some kind was obviously as necessary as it was inevitable; and such are the forces of fashionable habit that, having taken the decision to go ahead, the Trustees at once required Robin Wade Design Association to do the job. Exhibition Design is but a lately established and still questionable, some might even say bogus, discipline; and it comes as a considerable relief in this event to find at least a true Curate's Egg, parts of which are indeed very good.

The first thing to say is that this remains very much an institutional display, which in the circumstances is no bad thing. The massive physical presence, the grandeur of so much of the sculpture may have been dissipated somewhat, but in the lightened atmosphere the virtues of Smirke's old interior architecture reveal themselves once more. A self-confident museum is infinitely preferable to one ashamed to declare itself the repository it is, and overall this display is comfortable, clear, unpretentious and reasonably effective, with the low and dramatically lit side-galleries especially successful.

But there is also a certain blandness in the clarity of the main hall, the light perhaps just too diffuse, the pristine stonework and cement so tastefully, carefully inoffensive, unassertive, neutral; and one reads with a certain pang of Westmacott's more confidently colourful Victorian decoration. Here, far from bringing out and celebrating the natural colour of each artefact, which was the admirable intention, the practical effect is quite the reverse, and the mistake is not one of colour itself but of tone. The dark, rich and colourful side-galleries make the point inescapably.

But there it is: and it would be a little unfair to overstress the deficiencies at the expense of the several marked improvements, and most especially at the expense of the work itself. The natural passage through the installation now marches for the first time with the chronology; and brought out from the wall, the sculpture at last can be seen whole.

Above all, out in the open and interspersed and pointed with smaller works, Egyptian Sculpture suddenly modifies its character, or rather forces us to adjust our prejudice: intimate, personal, touching, realistic, altogether more accessible. Scholarship falls away for the moment, to be picked up with renewed and closer attention later on, as across three or four millenia we confront the image of particular men and women, caught to the life: the king and the steward, the maid and the slave. Also we must take into account the humane achievements of men who would have been great artists in any age. The conventions of Egyptian Art fall in with all the others, and are really no more of a problem to the sympathetic and engaged attention than those of the early Renaissance, shall we say, or the Japanese, or even Modern Art.

A red stone standing figure of Khaemwese, the son of Rameses II, some three thousand years old, carries passages of carving for example that are triumphs of realism. He holds a rod, or staff, close to his right leg, the absolute vertical of which is first continued, then diverted, as the eye follows it through from hand to shoulder, a sculptural conceit of the utmost simplicity, and most profound sophistication.

Finally a note of apology and explanation. It has been pointed out to me that my recent notice of the Tate's exhibition of Sculpture for the Blind ended on a somewhat harsher and more critical a note than I had intended. What I feel, wished to make clear, and would emphasise, is that it would be dreadful to see so excellent an initiative lapse yet again until yet another excellent but again generalised exhibition appears. Only a regular and coherent series of exhibitions can give the blind a proper access to sculpture in all its particular, ramified and peculiar variety.

Egyptian Sculpture Gallery, British Museum

D'Oyly Carte for TV

The ailing D'Oyly Carte Opera Company has been thrown a £100,000 life line by George Walker, chief executive of Brent Walker, who has announced to make five Gilbert and Sullivan operas into a \$5m (about £2.8m) TV series.

D'Oyly Carte has been struggling for cash since it was refused a grant by the Arts Council. Now, by having its name used in association with the series the company is likely to enjoy a big boost.

Paris Orchestra—2

BY DOMINIC GILL

In the presence of Mrs Thatcher and M Mitterrand, seated together in the nearly-Royal Box, Daniel Barenboim put his Orchestre de Paris through its paces at the second Prom on Thursday night with a programme of French music which matched the orchestra's character more congenially than the German symphonic fare of the first. This time, in any case, the hall was full, and the mood more festive. At the collective cry from the Prommers in the arena—"Arena to orchestra: are you nationalised yet?"—most of the orchestra smiled; only one or two visibly flinched.

The playing was actually no more precise, but it had a breadth and sparkle which Wednesday's Beethoven and Bruckner had notably lacked. Their account of Debussy's *La Mer* was both generous and inexact: a broad splash of orchestral colour carelessly but fervently applied. Strangely, after *La Mer* and just before Boulez's four short *Notations*, new to this country, Mrs Thatcher and M Mitterrand got up and left the hall, underlining the empty formality of their visit. "Arena to empty box," the Prommers cried, "is it the Boulez, or was it something we said?"

I reviewed the first four of Boulez's new *Notations* at their premiere in Paris in June last year; and it was good to hear them again, short and (in final frame), unfinished as they are. Like Boulez's earlier *Eclat/Multiples*, but more richly, each piece is a kaleidoscope of conversations, collisions, contradiction, instantly accessible — brittle, skittish, poignant and always surprising. The scoring is for large symphony orchestra with seven percussionists and three harps; on the stage of the Albert Hall, as on that of the Palais des Congrès, a huge antiphonal sweep. The movement is busy; the sound-web is rarely less than very dense. Yet there is nowhere an impression of overloading, overweighting; even at its most complex (one page of the fourth *Notation* divides into 89 separate staves) the texture is extraordinarily transparent, woven with the greatest delicacy. If it were nothing else — and when it is finished, the set will evidently be much more — *Notations* would be a brilliant tour de force of orchestration which many young composers (and others not so young) should study with care.

After the interval Barenboim and the Orchestre de Paris continued their programme with a sensuous, slightly sticky rendering of Debussy's *Prélude à l'après-midi d'un faune*; a more scrupulously translucent reading might not have been such a Prom-catcher, but it would have brought to the evening — and how better than with the *Prélude?* — a little stir of poise and elegance it otherwise lacked. They finished with Saint-Saens's third ("Organ") symphony, shaping with care the rather beautiful and nobly proportioned slow movement, thrusting with relish into the preposterous finale, a battle of bombast between organ and brass.

Court suspended

BY ANTONY THORNCROFT

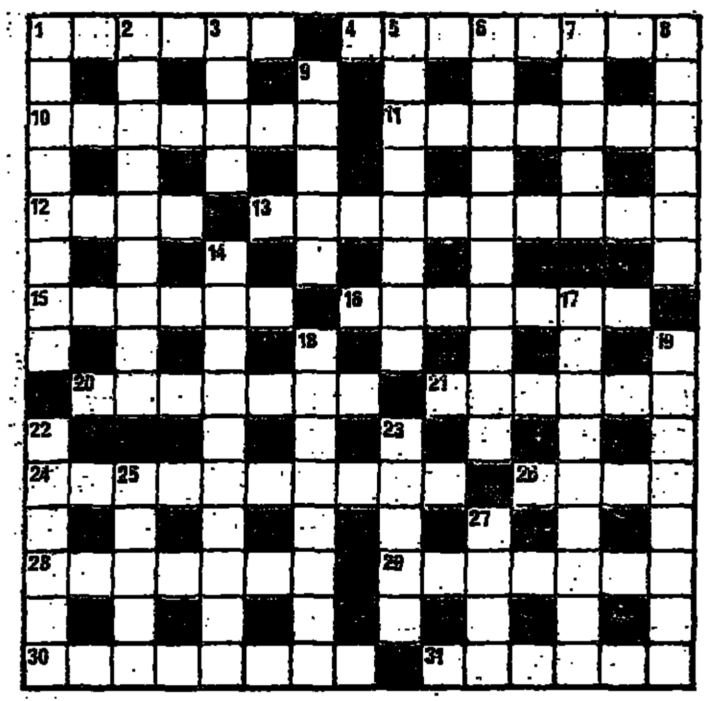
The Royal Court, fearful that the Arts Council may be contemplating axing its grant, is undertaking some lobbying. It is publicising the improvement in its audiences in the last year; the number of playwrights it supports; and its role as a bridge between the Fringe and the West End.

The Arts Council is being more open about the cuts it is undoubtedly planning for certain of its 1,200 clients and the Royal Court has been subject to a detailed examination; hence its nervousness. In the current year it received £424,000 from the Council and has asked for £475,000 for next year.

After a bad patch a couple of years ago attendances are better and in 1980-81 they came out as the fifth best in the Court's 25-year history with no production in the main theatre playing to less than 42 per cent capacity. *Hamlet* managed 99 per cent over 69 performances. A record £235,684 was taken at the box office.

The Court also defends its commissions to writers; its young writers' festival; and its public readings. Plays worked on at the readings, such as *Not quite Jerusalem*, can become major hits. If it lost its grant, and had to adopt a safety first policy in its productions, an important step in the career of young writers progressing from studio plays to major works would be lost.

F.T. CROSSWORD PUZZLE No. 4,670



A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....

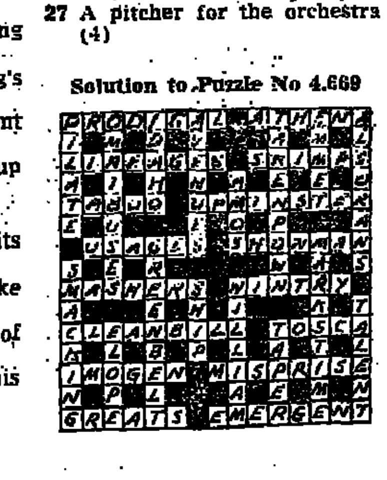
ACROSS

1 He is entitled to take a place on the board (6)
4 Mathematician's stone? (8)
10 Threadbare and wide-awake (7)
11 Let in again, armed it with licence (7)
12 Strange sensation giving gold to painter (4)
13 Perhaps sit in with teacher; he sets it up (10)
15 Morish lad? (6)
16 Pitch of the roof? (7)
20 Carrying more weight around middle-age? Overpraise needed! (7)
21 Twist, wither and squirm (6)
24 Stalky pants for such outlets (5-5)
26 Fight in the bar (4)
28 Poor CIS results, according to some peoples' stars (7)
29 Ideal place for Reading's scale railway (7)
30 There is no enlightenment in their duty! (8)
31 e.g., Botham as stitcher-up (6)

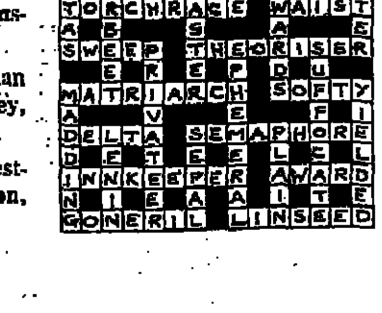
DOWN

1 Kind of court pocketing its own litter? . . . (8)
2 . . . just does not sound like them (9)
3 Gardens, to the sound of piping (4)
5 Publicises journey from this runway (8)
6 Littoral watchmen? (10)
7 Boundary of motorway illuminated all round (5)
8 Send up topless waiters for a change (6)
9 Giving employment, everybody to celebrate (5)
14 In this state of dissolution, MP to tingle possibly (7-3)
17 Séance, place most likely to produce it? (9)
18 B-C for example—paperback article (8)
19 Traitor could be bitter about carrying device (8)
22 Inventor lifting end of Rugby match (6)
23 Ideal thing for a sitting-bower! (5)
25 Direction for Widdicombe, perhaps diagonal needing no aid? (5)
27 A pitcher for the orchestra (4)

Solution to Puzzle No 4.669



Solution and winners of Puzzle No 4,664



Mr J. E. Brown, 22a Sewell House, Belmont Road, Winscombe, Avon, BS25 1LQ.

M. Hayward, 15 Marian Avenue, Minster, Sheppey, Kent, ME12 2EF.

Mr I. F. Crookes, 250 Westferry Road, Millwall, London, E14.

TV/Radio

BBC 1

† indicates programme in black and white

9.05 am Play Golf. 9.30 All New Popeye Show. 9.50 The Monkees. 10.15 Battle of the Planets. †10.35 Edgar Kennedy in "Will Power." 10.52 Weather. 10.35 *Golf: Haig Whisky Tournament Players' Championship.*

12.30 Grandstand: Football Focus (12.35); Golf (1.05, 3.10, 3.55). The Haig Whisky Tournament Players' Championship; Burghley Horse Trials (1.25, 3.10); Racing from Goodwood (1.50, 2.20, 2.50); Show Jumping (2.10, 3.55). European Championships from Munich; 3.45 Half-time football scores; 4.30 Final Score.
5.10 Kung Fu.
6.00 News.
6.10 Short Regional News.
6.15 Larry Grayson's Generation Game.
7.10 Juliet Bravo.
8.00 Summertime Special.
8.50 News and Sport.
9.05 Last Night of The Proms from the Royal Albert Hall (simultaneous broadcast with Radio 2 and 3).
10.20 Match of The Day.
11.20 Every Little Movement.
12.10 am *Golf: Haig Whisky Tournament Players' Championship* (highlights).

All Regions as BBC1 except as follows:

Cymru/Wales — 6.10-6.15 pm Sports News Wales.

Scotland — 4.55-5.10 pm Scoreboard. 6.10-6.15 Scoreboard. 10.20-11.20 Sportscene from Scotland. 12.50 am *News and Weather for Scotland.*

Northern Ireland — 5.00-5.10 pm Scoreboard. 6.10-6.15 Northern Ireland News and Sport. 12.50 am News and Weather for Northern Ireland.

England — 6.10-6.15 pm (South-West only) Saturday Spotlight.

BBC 2

7.40 am-1.55 pm: Open University.
†2.15 Saturday Cinema Double Bill: "She'll Have to Go," starring Bob Monkhouse, Alfred Marks and Hattie Jacques.
†3.40 "Meet Mr Lucifer," starring Stanley Holloway and Kay Kendall.
5.00 Burghley Horse Trials.
6.30 F.A.C.T.S. Football Association Coaching: Tactics, Skills.
6.55 News and Sport.
7.10 Swimming: European Championships from Split.
7.35 The U.S. Open Tennis Championships.
9.50 Jack High.
10.20 Alec Guinness in "Tinker, Tailor, Soldier, Spy."
11.10 News on 2.
11.20 *U.S. Open Tennis Championships.*
†11.55 Midnight Movie: "The Prowler," starring Van Heflin.

LONDON

8.35 am Sesame Street. 9.35 Joe 90. 10.00 Clapperboard. 10.30 Tiswas.
12.30 pm World of Sport: 12.35 On The Ball: 1.05 Boxing—World Welterweight Championship — Sugar Ray Leonard v Tommy Hearns; 1.15 News; 1.20 The ITV Seven from Doncaster and Chepstow; 3.15 Water Skiing; 3.45 Half-time Soccer Round-up; 4.00 Wrestling; 4.50 Results.
5.05 Metal Mickey.
5.35 News.
5.40 The Pyramid Game.
6.10 Chips.
7.00 Punchlines.
7.35 Take A Letter, Mr Jones.
8.05 Vegas.
9.00 News.
9.15 "McQ," starring John Wayne.
11.15 An Audience with Dame Edna Everage.
12.15 am Paris by Night.
12.45 Close: Personal Choice with Canon Trevor Beeson.

All IBA Regions as London except at the following times:

ANGLIA

9.00 am Sesame Street. 12.20 am At the End of the Day.

ATV

9.10 am A Better Read. 9.35 The Television Programme.

BORDER

9.10 am A Better Read. 9.35 The Television Programme. 8.05 pm Hagen. 11.15 Presenting Billie Jo Spears.

CHANNEL

No variation from London Weekend.

GRAMPIAN

9.10 am Joe 90. 9.35 Cuir Car. 6.10 pm The Incredible Hulk followed by Highland League Results. 8.05 Hawaii Five-O. 12.15 am Reflections.

GRANADA

9.35 am The Television Programme. 6.10 pm The Incredible Hulk. 8.05 The Streets of San Francisco. 12.15 am Hammer House of Horror.

HTV

9.10 am The Television Programme. 9.35 The Further Adventures of Oliver Twist. 12.28 pm HTV News. 5.39 HTV News. 8.05 Hawaii Five-O.

HTV Cymru/Wales—As HTV West except: 5.05-5.35 pm Ras Sgwar.

SCOTTISH

9.10 am A Better Read. 9.35 The Television Programme. 12.20 am Late Call.

SOUTHERN

9.00 am Sesame Street. 9.57 Regional Weather Forecast. 6.10 pm The Incredible Hulk. 12.15 am Southern News.

TYNE TEES

9.00 am Cartoon Time. 9.15 Moby Dick and the Mighty Mitor. 9.40 Thunderbirds. 5.40 pm North East News. 12.20 am Poet's Corner.

ULSTER

1.18 pm Lunchtime News. 5.00 Sports Results. 5.38 Ulster News. 6.10 Chopper Squad. 8.05 The Incredible Hulk. 9.14 Ulster Weather. 11.15 Bless Me, Father. 11.45 Bedtime.

WESTWARD

9.25 am Look and See. 9.30 Stingray. 9.58 Gus Honeybun's Birthdays. 10.00 Clapperboard. 12.27 pm Westward News. 8.57 Westward News. 12.20 am Faith for Life. 12.25 West Country Weather and Shipping Forecast.

YORKSHIRE

9.00 am A Better Read. 9.25 Cartoon Time. 9.35 Sha Na Na, with guest Del Shannon. 12.15 am Peterborough Festival of Country Music.

(S) Stereophonic Broadcast
‡ Medium Wave

RADIO 1

5.00 am As Radio 2. 7.00 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Steve Wright. 1.00 pm 25 Years of Rock (S). 2.00 A King in New York (S). 2.05 Star Wars (S). 2.30 Paul Gambaccini (S). 4.00 Peel's Pleasures (S) 5.00 Rock On (S). 6.30-7.30 In Concert (S).

RADIO 2

5.00 am Tony Brandon with The Saturday Early Show (S). 8.04 David Jacobs presents Star-Sounds (S). 10.00 Pete Murray's Open House (S). 12.00 Two's Best (S). 1.00 pm Punch Line. 1.30 Sport On 2: Football: Second-half commentary (at 3.55) on a top game of the day, score flashes and news from other matches; Racing from Doncaster at 2.00 and 2.30; Tennis: News of final stages of the U.S. Open; Cricket: News of all Schweppes County Championship games, plus reports on Nottinghamshire v Glamorgan; 5.00 Classified Football Results; 5.45 Classified Racing Results; 5.50 Latecomer's Football Check. 6.00 Country Style. 7.00 Three in a Row. 7.30 Last Night of the Proms (S) (as Radio 3). 10.20 Hilversum Greets Radio 2 (S). 11.30 Pete Marshall's Late Show (S). 2.00-5.00 am You and the Night and the Music (S).

RADIO 3

7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.15 Bandstand (S). 11.45 Diversions (S) 1.00 pm News. 1.05 Festive and Funeral Music (S). 2.00 Haydn: "The Creation," sung in German, conducted by Herbert von Karajan (S). 4.00 The Polignac Salon (S). 5.00 Jazz Record Requests with Peter Clayton (S). 5.45 The Living Poet (Charles Causley). 6.15 Jakob Gimpel piano recital (S). 7.05 The Festival Scene in America. 7.30 Last Night of the Proms, Part 1 (S) 8.40 Jerome K. Jerome. 9.05 Last Night of the Proms, part 2 (S) (simultaneous broadcast with BBC 1). 10.20 Widor Symphonies (S). 11.00 News. 11.05-11.15 Mozart arr. Triebensee (S).

VHF Only—Open University: 6.55-7.55 am and 11.15 pm-11.55 pm.

RADIO 4

6.25 am Shipping Forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather: Programme News. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yourth Faithfully. 7.50 It's a Bargain. 7.55 Weather; Programme News. 8.00 News. 8.10 Sport on 4. 8.45 Today's Papers. 8.50 Breakaway. 9.50 News Stand. 10.05 Conference Special. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News. 12.02 Instant Sunshine and . . . (S). 12.27 I'm Sorry, I Haven't a Clue (S). 12.55 Weather; Programme News. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News. 2.05 Wildlife. 2.30 Thirty-Minute Theatre. 3.00 Medicine Now. 3.30 Enquire Within (S). 3.40 A Man of Pleasure. 4.30 Does He Take Sugar? 5.00 Going Solo. 5.25 Week Ending. 5.50 Shipping Forecast. 5.55 Weather; Programme News. 6.00 News. 6.15 Desert Island Discs (S). 6.55 Stop the Week Again with Robert Robinson. 7.35 Baker's Dozen (S). 8.30 Saturday-night Theatre (S). 9.58 Weather. 10.00 News. 10.15 Key Questions (S). 11.00 Lighten our Darkness. 11.15 The Honourable Bob Marley (S). 12.00 News.

BBC Radio London

5.00 am As Radio 2. 7.30 News. 7.32 Good Fishing. 8.00 News, weather, traffic, sport. 8.15 Weekend What's On. 8.30 Bob Powel's London Country. 10.00 News. 10.03 Stuart Colman with Echoes. 11.30 The Robbie Vincent Show. 2.00 Breakthrough. 4.00-5.00 am Join Radio 2.

Changes at Thames TV

Ms Verity Lambert has been appointed to the new post of director of drama at THAMES TELEVISION. She will be responsible for the drama department at Teddington studios, but will also remain chief executive of Euston Films. Mr John Frankau will be returning at his own request to directing and will retain his link with Thames through the forthcoming Agatha Christie series.

Mr John Hambley is appointed to the new post of director of programme development and concentrating on Channel Four programmes and other non-ITV 1 production.

Mr Antony Rouse will be joining Thames as controller of documentaries in succession to Mr Mike Wooller, who left the company last month. Mr Julian Mounter has been appointed as controller of children's programmes department and will relinquish his appointment as executive producer in the current affairs department immediately. Mr Jack Andrews will take on the new title of programme management controller. In his new and wider role he will additionally also co-ordinate industrial relations, the engagement of programme staff, career development and transfers throughout the department.

CHESS SOLUTIONS

Solution to Position No. 388

White wins by 1. R-B8! RxR; 2 R-K8 ch, NxR; 3 P-Q7, N-Q3; 4 PxR=Q, NxQ; 5 PxP and queens.

Solution to Problem No. 388

1 Q-N8. If 1 . . . P-K8; 2 N-B7, K-K5; 3 QxP; or if K-K6; 2 Q-K6, K-B6; 3 Q-R3 or if K-K6; 2 Q-K6, P-B6; 3 QxRP.

Entertainment Guide

OPERA & BALLET

COLISEUM. S 836 3161. CC 240 5258. ENGLISH NATIONAL OPERA. Tonight 7.30: ORFEO. Wed, Fri 7.30: THE MERRY WIDOW. Thurs 7.30: THE SERAGLIO. [illegible]

SADLER'S WELLS THEATRE. [illegible]

THEATRES

HAYMARKET THEATRE ROYAL. 930 9832. DEBORAH KERR, IAN CARMICHAEL in OVERHEARD, A new comedy by PETER USTINOV. [illegible]

[illegible]

LEISURE

Whims of the rich

FIRMS THAT cater primarily for the whims of the rich and extravagant are inclined to raise one's egalitarian and puritan hackles. Asprey's of Bond Street is the exception, just because what they do they have done so long, and do so admirably well. A national institution, the shop is currently celebrating its bicentenary. Its achievement—which is really what the Asprey clientele is paying for—is to have preserved standards of workmanship and service and a style of retailing that properly belonged to an earlier age, a couple of World Wars ago.

At a time when practically everything is disposable and ephemeral, it would seem quite shocking if the stitching on Asprey's leather work came undone in less than a quarter-century of use. Moreover (unless my own experience has been especially fortunate) the people at Asprey's always seem so nice and interested, once you've braved the majestic doorman; never trying, like the staff of lesser establishments, to cow the humbler customer with the grandeur of the place.

COLLECTING

JANET MARSH

Perhaps the secret of Asprey's character—and the most remarkable aspect of its conservation—is that it still operates as a Victorian family business. It is run by Aspreys—the present chairman is John Asprey, son and successor of Eric, who retired as chairman in 1979. A lot of the goods are still made behind the shop. The serene showrooms are only the tip of the Asprey iceberg. Between Bond Street and Albemarle Street, in an acreage of floor space astonishing for an area so pricey, is a maze of workshops where Asprey goldsmiths and silversmiths and leather-workers, with their apprentices, still work by hand as they have done since the firm first moved there is 1847.

The present shop front, though it has been progressively extended (the address was originally 166 New Bond Street; now it is 165-169) must have taken on its present form fairly soon after that date. No one seems very certain when it was designed, but the lofty arched windows, fluted columns and ornate lace-work of cast iron over the cornice, retain the look of the grandest style of London shop in mid-Victorian times.

Asprey's date their foundation officially to 1781 and a William Asprey who descended from a Huguenot family which had settled in the Mitcham region. It was in Mitcham, then a very rural area, celebrated for its lavender fields, that William set up in business printing silk and calico. Later the family business seems to have gone over to ironmongery; but William's son Charles decided in 1841 to make the move to London where he went into partnership with a firm of high-class stationers, Francis Kennedy, at 49 New Bond Street. In 1846 he was joined by his son Charles Asprey II and together they broke from Kennedy and moved down the road to number 166.

Five years later they were exhibiting at the Great Exhibition, and had already established their style as providers of articles of "personal adornment or personal accompaniment and to endow with richness and beauty the tables and homes of people of refinement and discernment."

The great speciality of the firm were their dressing cases. There are still on display in the showroom a couple of cases of the kind which won the firm an honourable mention at the 1851 Exhibition and a Gold Medal at the 1862 Exhibition. They are astounding affairs, which are as much as one man can lift, the boxes veneered with rare and choice woods, the interior fitted out with scores of tools for personal care, the use of many of which is now quite obscure, but all richly decorated in silver gilt and ivory.

Asprey's were really in the luxury trade: these cases, in 1862, sold for £1,500. The firm says that it is doubtful now if they could make them for £100,000, even if they could find or train up craftsmen to the required standard. Today, Asprey's customers must be content with much more modest and utilitarian affairs—cases which, if they are in crocodile skin, cost between £4,000 and £5,000.

Asprey's assured their pre-eminence with a succession of shrewd takeovers throughout the nineteenth and early twentieth centuries. In 1859, for instance, they acquired the old established firm of dressing case makers, Edwards; and in

Brass hinged walnut box with six gilt metal mounted square bottles

1888 the gold and silversmiths Leuchars, who were also dressing case specialists. In this way they not only removed formidable rivals, but strengthened their own craft workshops.

Other important take-overs included Houghton and Gunn, the leather manufacturers, and William Payne, watch makers, both of Bond Street. At the same time the premises were being extended by the purchase of the Alfred Club in Albemarle Street in 1861, a site in Grafton Street in 1902, and in 1904 Keith Prowse's shop at 167, New Bond Street. One of the most recent takeovers was the acquisition in 1959 of Birch and Gaydons at 153, Fenchurch Street to give the firm a City branch. The furniture restorers R. and D. Lucas and the famous bookbinders Sangorski and Sutcliffe have also recently been absorbed into the Asprey empire.

Asprey's pride themselves that they are not in the strict sense exclusive. Their current catalogue starts with a suite of jewellery for £120,310; but it also lists some cute, wooden-handled silver plated salt and pepper shakers for £13.50 a pair and (should you need it) a sighting compass for £6.

Still, the world's rich remain a vital part of the firm's clientele. Not surprisingly this means that today nearly half the turnover is in exports, which earned Asprey's the Queen's Award to Industry for export achievement in 1975. Once, of course, American millionaires and Indian maharajahs were the biggest clients; but the Depression and Indian Independence altered things; and today the major luxury trade is with places like Addis Ababa, Jeddah and Baghdad.

To mark their bicentenary, Asprey's have mounted an exhibition, which continues at the New Bond Street premises until September 19 (Monday to Friday 9.00 am to 5.30 pm; Saturday 9.00 am to 1.00 pm) and which includes a variety of items sold by the firm during the past 120 years. From dressing cases, tea caddies, stationery boxes and châtelaines of mid-Victorian times to a set of painted finger nail covers of the thirties, it is a fascinating record of changing tastes, as well as of the sort of gifts concocted over the years, to please for the man (or woman) who has everything.

As further celebration, Bevis Hillier has compiled an amusing and well-illustrated company history, Asprey of Bond Street 1781-1981, which is published by Quartet Books.

● A Dealer's Record—Agnew's 1967-1981 with the earlier volume covering 1817-1967 can be bought through Mr William Joll, Thos. Agnew and Sons, 43, Old Bond Street, London W1 for £35—and not £30 as reported last week—for the two books plus £3 postage.

Moribund policy on coinage

COINS

JAMES MACKAY

I WAS recently chagrined to have the synopsis for a beginners' book on coin-collecting rejected by a publisher on the grounds that market research indicated little interest in numismatics at grass-roots level in Britain. Despite the recent increase in the number of commemorative coins—with crowns celebrating the Silver Jubilee, the Queen Mother and now the Royal Wedding—it was generally felt that British circulating coins were dull, the designs insipid and lacking in variety.

Even those who persisted in checking their change were soon discouraged when they realised that it was impossible to find complete sequences of dates for each denomination. A collection of the circulating coinage since decimalisation therefore had a patchy appearance which offended the collector's aesthetic sensibilities. The same designs have been used since 1971 without any alteration, save for the EEC 50p of 1973 with David Wynne's nine interlocking hands—a motif which has baffled many newcomers to the hobby since there is no inscription by way of explanation.

This moribund policy on circulating coins contrasts sharply with the heady years of the 1960s when decimalisation was imminent and everyone, it seemed, had become infected with change-checkers mania, salvaging the more presentable specimens (theoretically including silver coins right back to 1816) before they were demonetised.

Many of those change-checkers have stayed with the hobby and must account for a fair proportion of the clientele of the Royal Mint Numismatic Bureau at Llantrisant which does sterling work (no pun intended) in promoting coin-collecting as best it can. A recent innovation is the Mint's Bulletin, an attractive full-colour newsletter giving details of current offers that range from the Queen Mother set of seven crowns (still a few available at £191.25) to the 1981 gold proof sovereign (a limited edition of 50,000 at £110 each) and the gold proof versions of the circulating £1 coins introduced by Guernsey and Jersey earlier this year (at £125 and £250 respectively).

Proof sets and crowns are all very well for the already established collector, but it is the ordinary circulating coinage which introduces people to the hobby, and unless this offers sufficient scope it is difficult to maintain the interest of the layman long enough for him or her to become fully committed. The general lack of interest contrasts sharply with that found in the Isle of Man, where I have been snatching a late vacation and getting back to the jejeune delights of change-checking.

The Isle of Man re-introduced its own coins for general circulation at the advent of decimalisation, after a lapse of 130 years, and has made up lost ground ever since. The 1971 issue rapidly disappeared from circulation, being promptly snapped up by tourists that year, and sufficient quantities to meet normal commercial demand were not produced until 1975. An entirely new series, with the island's map as a background to the pictorial elements, was adopted in 1976 and appeared annually till 1980 when coins with motifs derived from Hiberno-Norse arts and crafts were issued as a tribute to International Year of the Viking.

The island has the same basic denominations as the mainland, up to the heptagonal 50p, and follows the UK scheme of alloys, weights and dimensions. Like the British coins, the Mechin profile of the Queen appears on the obverse, but the reverses present a rich and varied view of Manx scenery and landmarks, wildlife and history. The three sets of designs produce a possible 18 coin types, but each may be found with different dates and (more recently) die marks which add considerably to the complexity and interest.

Like the mainland, the Isle of Man has produced a wide range of proofs, precious metal versions, presentation sets and crowns, the latest of which will be available later this month and celebrates the 25th anniversary of the Duke of Edinburgh's Award scheme. In addition to the ordinary cupro-nick[el] version there will be a limite[d] edition in a special diamo[nd] finish as well as silver uncirc[u]lated and proof sets and eve[n] sovereign-sized gold crowns [in] nine or 22 carat finishes.

Details of these collector ve[r]sions may be obtained dire[ct] from the Pobjoy Mint of Sutto[n,] Surrey.

The Isle of Man, however, [is] acutely aware of the fact th[at] much of the interest in its coi[ns] stems from the ability [of] islanders and tourists alike [to] find a wide variety of collec[t]able items in their change. La[st] year the island introduced [a] Christmas 50p coin, the ide[al] stocking-filler. The Christma[s] theme was combined with co[m]memoration of the Steam Pack[et] Company's 150th anniversar[y]. As 1981 is Fishermen's Ye[ar] it is hoped to feature the earl[y] 19th century celebration [of] Christmas by the herrin[g] fishermen of Peel on this year['s] coin. A 50p coin launched du[r]ing TT Week featured la[st] year's winner, Joey Dunlo[p] and this seems to have virtuall[y] disappeared from circulatio[n] since the Manx Grand Prix la[st] week.

The island pioneered a ci[r]culating £1 coin in 1978 an[d] added a £5 coin in 1980. Neithe[r] circulates widely; as fast as th[e] banks issue them they disappea[r] into the hands of collector[s]. When the mainland introduce[s] a pound coin the island wi[ll] doubtless change its specifica[]tion to conform, thus creatin[g] yet another item for the publ[ic] to hunt.

GOLF

BEN WRIGHT

IT WAS A powerful wrench this past fortnight to give up a trip to glorious Cypress Point for the Walker Cup match and to the Olympic Club in San Francisco for the U.S. Amateur Championship. But while one yearned to be able to be in both places at once there was much to be enjoyed at Firestone Country Club in Akron, Ohio, and at the Dixcel Tissues European Open at Royal Liverpool Golf Club in Hoylake.

The Walker Cup match ended as one had expected, even forecast, in defeat by 15 points to nine. But the heroics of teenagers Philip Walton (Malahide) and Ronan Rafferty (Warrenpoint), from Ireland and Ulster respectively in defeating the strongest American pairing, defending U.S. Amateur champion Hal Sutton and the 1979 British champion Jay Sigel after losing the first three holes to par in the first morning's top foursomes match was an inspirational achievement of colossal merit. The second youngest British and Irish combination of Roger Chapman (22) and the third teenager Paul Way upended the same powerful combination to similarly set alight the visitors on the second morning. But this time the support troops came through with a vengeance, Walton and Rafferty especially, and by taking the second series of foursomes 3-1 cut our deficit to 9-7, exactly as it was when Michael Bonalack's team last won the Walker Cup at St Andrews that fateful afternoon in 1971.

In fairness to our team they did anything but collapse, but were beaten by play of which the top-ranking professionals competing the same afternoon in Akron would have been justly proud. Chapman was our only singles winner, but Geoff Godwin and 1980 British champion Duncan Evans halved their matches. It is not at all unrealistic to fancy our chances in Britain in 1983.

Tremendous is the only way to describe the impression Europe's number one, 24-year-old Bernhard Langer created on his first visit to the U.S. to play at Firestone. Langer hovered close to the lead all through the $400,000 event, having shared it with eventual winner Bill Rogers, the Open champion and Hale Irwin the first day. With seven holes to play on Sunday afternoon Langer was tied for the lead at three under par with playing partner Tom Kite, the eventual runner-up Irwin, who had led overnight by two shots, and his partner Rogers.

But suddenly Langer dropped shots at the 13th, 14th and 15th holes and another at the 18th, all due to wayward tee shots, and had to be content with a share of sixth place. Kite birdied the 12th hole, Rogers the 13th, and so they were tied for the lead, since Irwin took three sad putts on both the 13th and 17th greens. Kite finished first at four under par, and we talked Rogers through the 18th hole of 460 yards for the television audience. After the Open champion's excellent drive had split the fairway Kite told me: "Buck will make his three to win. Don['t] you worry—he's so aggressiv[e] since he won your title. Just [a] five iron pin high, and he'[ll] make the birdie putt I missed." Prophetic words, Tom. Roger[s] did exactly that.

Apart from a consolation pri[ze] of $55,000 that took Kite pa[st] $300,000 in a season for th[e] first time Tom, regarded as [a] short hitter, had the immens[e] satisfaction in Saturday's thi[rd] round of becoming only th[e] third player in Firestone['s] history to hit and hold th[e] green at the 625-yard downhi[ll] 16th hole with its pond in fro[nt] of the green—world-renowne[d] as "The Monster." Kite had 2[?] yards to the front of the gree[n] to the left of the pond, and h[it] a three wood shot that travelle[d] 398 yards—phenomenal.

The European Ryder Cu[p] team enjoyed a satisfactor[y] workout—only Peter Oosterhu[is] was absent—in the glorious su[n]shine at Hoylake. Eight of th[e] team finished in the top 30, an[d] only three, Irishman Eamo[nn] D'Arcy and the Spaniar[ds] Manuel Finero and Jose Mar[ia] Canizares missed the cut.

CHESS

LEONARD BARDEN

THE Lloyds Bank Masters, played in London last week, was the strongest in the five-year series and provided a fine British double. Raymond Keene, who took the trophy on tie-break, and Tony Miles shared first prize with U.S. champion Seirawan and were a point in front of Russia's ex-world champion Smyslov.

Results were Keene and Miles (England) and Seirawan (U.S.) 7 out of 9, Gheorghiu (Romania), Kraidman and Murey (Israel) and Hebden (England) 6½. Smyslov was in a large group on six points which also included Chandler (New Zealand) and the U.S. masters Formanek, Ginsburg, McCambridge and Saidy.

The event was part of Lloyds Bank's annual £18,000 backing for British chess, principally aimed at developing standards in schools and universities. As an investment in talent, it has given consistently good results. Two juniors with Lloyds Bank scholarships, Flear and Cox, were level with Smyslov and reached the international master norm. The great Soviet player also did badly in a simul against England under-17s and assessed his young opponents as "equal to those in Moscow."

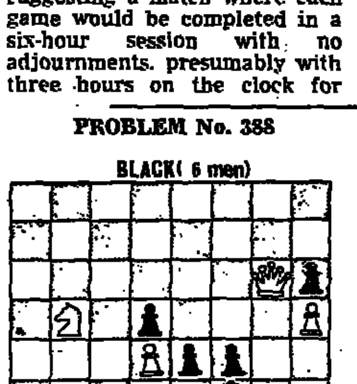
Despite these home successes, I thought the most significant aspect of Lloyds Bank 1981 was the evidence of the U.S. champion Yasser Seirawan's advance since he last visited this country. Seirawan, from Seattle, 21-year-old son of a Syrian father and an English mother, has twice competed at Hastings with uneven results. His play last week was distinguished by a determined will to win and superb endgame technique. In four games he went for the exchange of queens and outclassed his opponents from apparently equal positions.

There are, once again, rumours of a Bobby Fischer comeback. It is said that Fischer has written to Fridrijk Olafsson, President of FIDE and Iceland's leading player, suggesting a match where each game would be completed in a six-hour session with no adjournments, presumably with three hours on the clock for each player. In view of Fischer's many previous abortive comeback proposals, there is widespread scepticism whether this match will ever get off the ground, but in any case pairings of Fischer against Gligoric or Olafsson, fine grandmasters at their peak but now well past their best, seem of limited appeal. The really interesting match, taking it as a trailer for Fischer v Karpov, would be Fischer v Seirawan. That would be an encounter of contrasts. Seirawan is twenty years younger than Fischer, is as pleasant as Bobby is abrasive, and has an ultra-positional style where Fischer's is direct. If any U.S. sports promoter wants to upstage Karpov v Korchnoi, this is the pairing to go for.

Seirawan in action in London:

PROBLEM No. 388

BLACK (6 men)

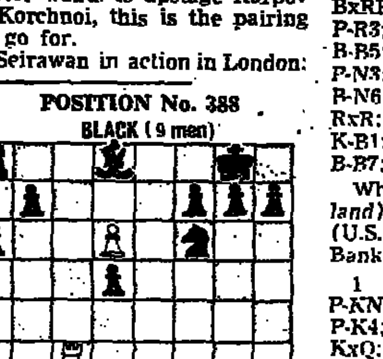


WHITE (6 men)

White mates in three moves, against any defence (by R. F. Fegen).

POSITION No. 388

BLACK (9 men)



WHITE (8 men)

White to move; what result? White has rook for bishop and knight and two far advanced pawns, but Black has everything protected and can meet 1 PxP? by R-R8 ch and mate.

Solution Page 12

his opponents exchange queen[s] for a draw, make no obviou[s] errors, but are remorseless[ly] outplayed.

White: Y. Seirawan (U.S.) Black: K. Arkell (England). English Opening (Lloyd[s] Bank 1981).

1 P-QB4, P-QB4; 2 N-KB3 N-KB3; 3 N-B3, P-Q4; 4 PxP NxP; 5 P-K4, NxN; 6 QPxN QxQ ch; 7 KxQ, P-KB3; 8 B-K3 P-K4; 9 B-QB4, N-Q2; 10 N-Q2 B-Q3; 11 P-QR4, K-K2; 12 P-R5 N-B1; 13 B-Q5, R-QN1; 14 K-B3 B-K3; 15 N-B4, BxB; 16 PxB N-Q2; 17 KR-K1, R-R1; 18 P-B4 P-QN4; 19 PxP ep, RPxP; 20 PxP, BxP (if PxP; 21 B-N5 ch wins at least a pawn); 21 NxP NxN; 22 BxP ch, K-Q2; 23 BxN BxRP; 24 B-Q4, B-N6; 25 R-R1 P-R3; 26 P-B4, KR-K1; 27 P-B5 B-B5; 28 K-Q3, P-B4; 29 P-QN4 P-N3; 30 P-N5, P-R4; 31 P-N6 B-N6; 32 RxR, RxR; 33 R-R1 RxR; 34 BxR, P-N4; 35 P-B6 ch K-B1; 36 B-B6, P-N5; 37 B-K7 B-B7; 38 P-N7 ch, Resigns.

White: H. Listerink (Holland). Black: Y. Seirawan (U.S.). Old Indian (Lloyds Bank 1981).

1 P-Q4, P-Q3; 2 N-KB3 P-KN3; 3 P-B4, B-N2; 4 N-B3 P-K4; 5 PxP, PxP; 6 QxQ ch KxQ; 7 P-KN3, P-QB3; 8 B-N2 B-K3; 9 N-KN5, BxP; 10 P-N3 P-KB3; 11 PxB, PxN; 12 BxP ch, P-B3; 13 B-K3, N-KR3; 14 O-O, K-B2; 15 B-R3, N-B2; 16 K-N2, P-KB4; 17 QR-Q1, N-Q2; 18 P-B4, R-R2; 19 N-K4, N-N3; 20 N-B5, QR-R1; 21 N-K6 ch, K-B1; 22 BxN, PxB; 23 NxB, RxB! 24 R-KR1, PxP; 25 PxP, R-K6; 26 K-B2, R-K2; 27 Resigns. Black's highly original rook manoeuvre has trapped the white knight.

BRIDGE

E. P. C. COTTER

THE TRUMP coup, especially the grand coup, is a collector's item, so let me describe what happened two days ago at rubber bridge:

```
              N
           ♠ K 4
           ♡ A K 6
           ♢ A J 9 6 5
           ♣ J 5 4
  W                      E
♠ Q                   ♠ 10 9 7 2
♡ J 9 5 2             ♡ Q 8 3
♢ 8                   ♢ 10 7 4 2
♣ A K Q 9 6 3 2       ♣ 10 8
              S
           ♠ A J 8 6 5 3
           ♡ 10 7 4
           ♢ K Q 3
           ♣ 7
```

At game to East-West my partner, North, dealt and opened the bidding with one diamond, to which I replied with one spade. West came in with two clubs, North rebid two diamonds, and I said three spades —this seemed the best move— North raised to four spades, and all passed.

West led the club Ace, and I ruffed the Queen which came next, East petering with ten and eight. I led a spade to dummy's King, West producing the Queen, and returned the four, on which East played the nine, I won with the Knave, and West threw a club. The contract was on ice, but it would be nice to make 12 tricks by means of a trump coup. I cashed the diamond King, and when I continued with the Queen, West showed out, giving me a complete count. West had a 1—4—1—7 pattern, which meant that East had four diamonds and three hearts—just what I wanted.

I crossed to the diamond Ace, cashed the Knave on which I threw a losing heart, and led the club Knave. East discarded a heart, and I ruffed in hand—the essential move to reduce my trumps to the same number as East's. I returned to the heart King, and led the diamond nine. East threw the heart Queen, and I discarded my remaining heart. Now the heart Ace from the table forced East to ruff, and I simply covered the card she played.

This reminds me of another coup which occurred a few years ago. Two things about it were especially pleasing—it contained an underruff, and my friend and partner, Lewis Ellison was kibitzing behind me:

```
              N
           ♠ K Q 8 6 4 2
           ♡ 6 5 4
           ♢ 9
           ♣ Q 10 9
  W                      E
♠ J 10 9              ♠ 7 3
♡ —                   ♡ Q J 10 8 2
♢ A J 10 7 6 5        ♢ 4 2
♣ K 7 6 2             ♣ J 8 4 3
              S
           ♠ A 5
           ♡ A K 9 7 3
           ♢ K Q 8 3
           ♣ A 6
```

We were vulnerable when I dealt in the South seat. Unfamiliar with my present partner's methods, I was in some doubt what to bid, but I said two hearts, though it is not a bid I care for on such a suit. West, who had lost 900 on the previous hand in five diamonds doubled, competed again with three diamonds. North, strange to say, passed. When West's bid was passed to me, I doubled. North said three spades. I rebid three no trumps, and North went to four hearts.

West led a cunning nine of spades. I won in hand, and cashed the heart Ace to learn of the cruel trump break. I played my diamond Queen, West won and switched, believe it or not, to the club King. I won with the Ace, crossed to the spade Queen, and continued with the King. East ruffed with the ten of hearts, and I discarded by eight of diamonds. With some idea of upsetting the timing of my entries, East returned a club to the ten on the table.

I threw my diamond three on the club Queen, and led the eight of spades. East discarded his last diamond, and I did the same. Now a trump from the table was covered by East's Knave, which I follow with the seven, not the three. East led the club Knave. I ruffed in hand with the three, and overruffed in dummy, claiming the rest of the tricks, as I had a trump tenace over my right hand opponent.

RACING

DOMINIC WIGAN

DESPITE THE fact that Shergar is unproven as yet over a mile and threequarters and that Michale Stoute's Beech Hurst team is somewhat in the doldrums it is difficult to escape the conclusion that bookmakers are offering generous odds against the dual Classic winner today.

On all known form Shergar should be at the 5 to 2 on offered against him when his name first appeared in the St Leger ante post list rather than at the 4 to 6 or 8 to 13 currently available.

All direct or indirect form lines to him proving far too good for not only Glint of Gold, Cut Above, Ribretto and Brigadier Hawk whom he beat either at Epsom or at the Curragh; but also to fast for the tough but somewhat one-paced Bustoni. The other two declared for Britain's oldest Classic are Bustoni's pace-maker, Magikin and yesterday's Park Hill Stakes dessa.

With the Prix de l'Arc de Triomphe very much in mind Walter Swinburn will be out to do no more than is strictly necessary on Shergar who can pass Troy's record prize winning tally for a British trained horse by out-pacing Glint of Gold inside the distance.

Just over an hour before the season's final Clasi Classic four colts and thre fillies clash in that now well-established Group 2 event for juveniles, the Flying Childers Stakes. There is no candidate here with anything approaching the ability or charisma of last year's winner Marwell and it is with no great confidence that I intend turning to Curve The Wind. A once-raced bay colt by Windjammer out of that fast two-year-old winner, Caught in the Rye, Curve The Wind is thought to have made plenty of improvement since he showed notable speed behind House Pitch at Kempton in April.

Indian King, who disputes market position for next month's William Hill Cambridgeshire with Indian Trail, Bunter and Harp Strings (no longer a certain runner) should be the one they all have to beat in the opening Battle of Britain Stakes. Guy Harwood's lightly raced Raja Baba colt has only 8 st 3 lbs here and can take advantage of a 7 lbs concession from Norman Style.

DONCASTER
1.30—Indian King***
2.00—Curve The Wind
2.30—Say Primula
3.05—Shergar
3.45—Height of Fashion**
4.20—Farolito

GOODWOOD
3.00—Karadar
3.30—Jazz Band
4.00—Dark Monarch*

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Sterling—a new dilemma

THE SLIDE in sterling, which has gathered pace this month, presents the Government with one of the most difficult economic dilemmas it has had to face. While ministers were away on holiday there were some signs that the economic problems to which they would be returning in the autumn would be less spectacular and urgent than the ones they had confronted in the previous two years. The unprecedented decline in real output appears to have ended. Inflation has moved back towards single figures more rapidly than many forecasters expected. Interest rates are at levels considerably lower than those in many of Britain's competitor countries.

While the general outlook for the economy could hardly be described as cheerful, ministers could console themselves with the idea that none of the most important indicators, with the exception of unemployment, would be getting any worse. Even on unemployment, the Prime Minister's decision to spend £700m on youth opportunities schemes in the coming year held out the prospect that some of the edge would be taken off the social problems which mass unemployment brings.

Side-effect

After the ordeal of the past two years, the nation might well have been in the mood to accept the thinking underlying many of the recent statements by the Prime Minister, the Chancellor and their colleagues. A period of stability—of things no longer getting worse— might have been greeted with relief by public opinion, if not actually hailed as a triumph. Further ahead was the possibility that a very slow, but "soundly based" recovery over the next year or two would be the prelude to a more rapid and permanent improvement in the structure of the economy in the second half of this decade.

Now the downward pressure on sterling—it has fallen by 3.9 per cent on the Bank of England's trade-weighted index since the beginning of September—calls into question the assumption that inflation can be reduced any further, or even maintained at its present level. On the brighter side, it suggests the possibility that the recovery in the real economy may be rather more rapid than expected.

The dilemma is whether to try to resist the fall in sterling for the sake of the anti-inflation objectives or to welcome it for giving relief to industry from the overvaluation of the pound, which was, after all, a more or less unintended side effect of the Government's domestic monetary policies.

The fact that this dilemma is genuine is hard to deny after the industrial input and output price figures published this week. Raw material and fuel prices have risen by 17.4 per cent in the year to August. A large part of these increases will be absorbed in industrialists' margins and offset by relatively low increases in labour costs. But the wholesale price index shows that the effect of the declining pound is beginning to feed through. With the WPI increase back into double figures, the trend in inflation is threatening to turn upwards once again.

Fundamental

The pound, now down to DM 4.3175 in London, from DM 4.535 at the beginning of the month, is moving rapidly towards the sort of level that many industrialists have been demanding for the past year or more. The rough and ready benchmark of DM 4 to the pound mentioned frequently by industrialists is within reach.

In the past ministers have argued that it is not for politicians, but for markets, to resolve this dilemma. Indeed, ministerial speeches and the lack of any significant intervention by the Bank of England in the foreign exchanges, confirm that this is still the Government's thinking. But the fundamental factor on which the foreign exchange markets now seem to base most of their decisions—the rate of interest—is now more than ever a tool in the hands of ministers.

For, as this week's banking figures showed, and as the Bank of England explicitly confirmed, it is quite impossible to tell at the moment what policy is required to stay within the Government's domestic monetary targets. When money supply figures are largely meaningless, as they are at present, monetary policy centres on the rate of interest and when the rate of interest is subject to the Government's discretion the exchange rate is likely to become more of a policy issue.

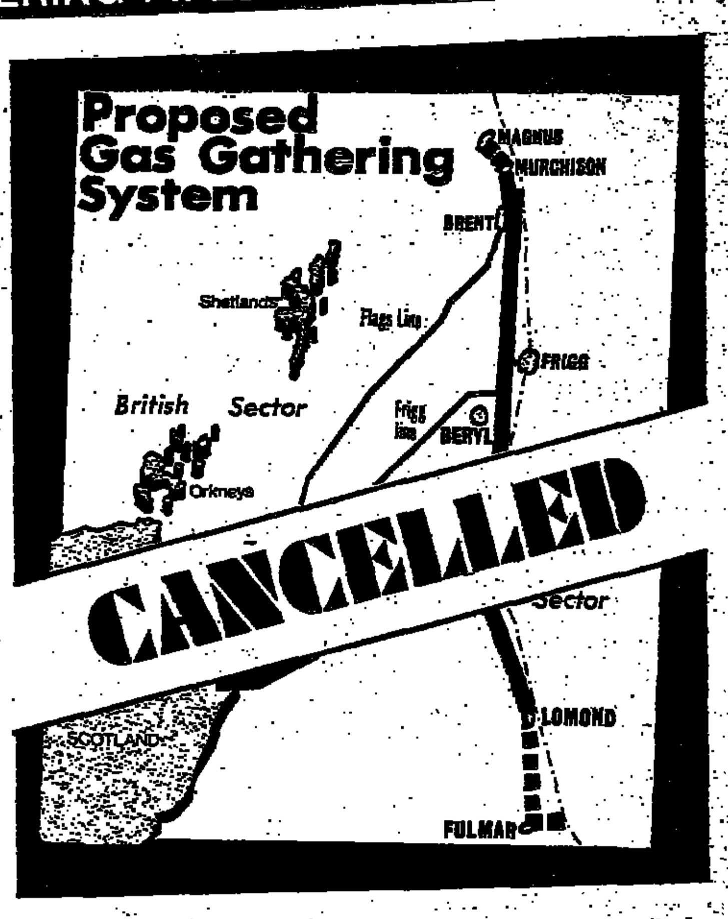
Evidence

Without clear monetary figures to guide them, ministers will have no choice but to rely on their instincts more than ever. The Prime Minister has indicated strongly in her interview on BBC Radio this week that her instinct is to continue to give absolute priority to the fight against inflation. The decision not to go ahead with the North Sea gas-gathering pipeline project is further evidence of her unswerving commitment to her original interpretation of the economic strategy. But it will not be until some decisions have to be made on interest rates and sterling that this commitment will be most severely tested.

THE GAS GATHERING PIPELINE

Why Mrs Thatcher's patience ran out

Sue Cameron, Chemicals Correspondent, looks at the reasons for the demise of the gas gathering pipelines scheme. Below Allen Sykes offers a personal view of what should be done next.



MRS Margaret Thatcher's final lack of patience about Britain's planned £2.7bn North Sea gas pipeline is at least understandable. Whichever way she looked at the proposals, her Government was going to be asked to contribute money towards it in one form or another.

The haggling over the financing of the gas gathering line—one of the most ambitious offshore projects ever devised—had been going on for some 15 months. And it has been the failure to reach any agreement on funding that has now led to the decision to abandon the scheme.

The key factor in the breakdown remains open to discussion. Some would argue that the whole project was ill-conceived in the first place. Others blame the timidity of the banks, the greed of the oil companies, the intransigence of the Treasury or the inflexibility of the British Gas Corporation. And there are those who would point the finger at Mr David Howell, the Energy Secretary, for not exercising sufficiently strong leadership.

The Government gave the go-ahead to the project—in principle—as long ago as last summer. The idea was that the 420-mile-long pipeline should be used to gather 11 trillion (million million) cubic feet of gas—worth some £25bn. The natural methane gas would be bought by the British Gas Corporation to provide secure supplies for the UK's industrial, commercial and domestic consumers. The gas liquids would be the raw materials for petrochemicals.

But Energy Ministers were determined from the outset that no single individual interest—be it British Gas or a group of major oil companies—should be allowed to run the pipeline for their own advantage or to corner the sizeable returns they expected to come from the project.

Their intention was that all the interested parties — the major oil companies, the smaller oil companies, the petrochemical companies, the financial institutions, British Gas and perhaps even private investors—should be given a chance to take a share in the company that would be set up to build and run the line. It was envisaged that British Gas would take a 30 per cent interest in the company. But no one was to have outright control of it.

The first proposal was that the banks—a consortium headed by the Bank of Scotland—should loan the cash for the project. Throughput contracts — to deliver gas through the proposed pipeline—were to provide their security. But before these could be signed, British Gas and the oil companies would have to agree a formula for the price of the gas. The oil companies have long maintained that the state owned, British Gas monopoly never pays them an adequate price for their gas.

The result was only one contract materialised. So the banks started talking about the possibility of Government guarantees. This aroused swift and violent opposition in the Treasury when it was argued that it would have implications for the Public Sector Borrowing Requirement—at the best. At the worst, the government could end up having to provide the full cost of the project.

Next came the idea that British Gas should raise the funds on the money markets and start building the line on its own. The oil companies and other private sector organisations would soon start hollering for a slice of the action once the scheme got off the ground—or so the argument went.

But the Treasury pointed out that the Government would automatically have to guarantee British Gas because it is state-owned. And, it reiterated its opposition to Government guarantees—in any shape or form.

Proponents of the pipeline project—notably the Department of Energy and the Scottish Office—have consistently argued that the Treasury was being unnecessarily inflexible.

But the Treasury feared that it could ultimately find itself embroiled in a Concorde-type fiasco and it is now highly unlikely that anyone will ever know which side would have been proved right.

The other alternative was that the oil companies should finance the line. Some were willing to do so—but they wanted two major advance concessions.

- A far higher price for their gas. At present the corporation pays from 5p a therm to 16p—as against the 28p a therm being charged to most domestic consumers. The oil majors insisted that BGC should be made to pay a minimum of 25p a therm.
- Substantial tax concessions. If they each built pipeline of their own they would be table to offset the cost against Petroleum Revenue Tax. But such tax allowances would vanish if they put their money into an independent company.

It would appear that Mrs Thatcher has some sympathy for the oil companies' pleas for higher gas prices. But the tax concessions and higher prices from the corporation would both help to reduce potential revenue to the Exchequer in future years.

By this Thursday's meeting, Mrs Thatcher's temper cannot have been improved by the knowledge that Norway, which decided earlier this summer to build a similar pipeline system in its sector of the North Sea has already begun to invite tenders for the project.

Thursday's meeting is said to have been "unpleasant" for the two Energy ministers who attended it—Mr Howell and Mr Hamish Gray, Minister of State at the Department.

Mr Gray told a Press conference yesterday that he was certain the gas lying underneath the North Sea would still be brought ashore—probably by a series of individually-owned oil company pipelines, including some that are already in operation.

The oil companies—as Mr Gray pointed out—will thus be able to set any new lines of their own against PRT and he noted British Gas still needs the supplies that would have been brought ashore via the £2.7bn project. This alone, he suggested, would force the corporation to up the prices it was prepared to pay the producers for their gas.

Some of the oil majors will be pleased that the pipeline project has been abandoned for two other reasons. Some feared that if the line went ahead, existing pipelines might be underutilised in the 1990s.

There was also concern on the part of some—notably Shell, Esso and BP which have chemical company subsidiaries—that the pipeline project would have helped provide their chemical competitors with gas feedstocks. But if they build their own lines, they will have much greater control over where their gas liquid feedstocks go.

Yet Mr Gray hinted strongly that the Government would use its powers to restrict the flaring of gas associated with oil production if the oil majors proved unwilling to develop and bring ashore the gas.

Further reductions on flaring would cut oil production and therefore oil profits. And the biggest offenders on gas flaring at present are Shell/Esso on their Brent field—where 122m cubic feet a day of gas was being flared last year—and BP with its Forties field—68m cf a day being flared last year.

Despite Mr Gray's veiled threats—and his assurances—there are still some fears that some of the gas which would have been tapped by the pipeline project will not now be brought ashore.

Another casualty could be British jobs. British Steel and the UK's process plant manufacturers had hoped to safeguard thousands of jobs.

Mr Gray's response to this danger yesterday was that the orders would still be placed — but by the oil companies not by an integrated pipeline company. The group that will probably be hit by the decision to axe the pipeline scheme is the British Gas Corporation. Its pride—and ultimately its pocket in terms of the higher gas prices it will almost certainly have to start paying—will both suffer.

The loss of the gas gathering system is also a severe blow for Messrs Howell and Gray. Yesterday morning there was some speculation that one—or both would resign from the Government in protest.

But Mr Gray at least was insisting by the afternoon that although he was disappointed he fully accepted the collective decision of his colleagues. He would not leave his post — unless, of course, he was the victim of a reshuffle.

So brave a face did the genial and loyal Mr Gray put on yesterday — and so doggedly did he defend the Government's decision — that one puzzled journalist was moved to ask why his Department had backed the pipeline project in the first place.

The obstacles that can be removed

THE Government-sponsored project to collect "associated gas" from offshore oilfields which might otherwise be flared is unlikely to proceed. The difficulties for the oil industry and the City are too great. It is now necessary to find workable policies to harness our large offshore gas reserves. Such policies exist.

The two major obstacles to the full development of all Britain's massive offshore gas resources (gasfields and associated gas), quite unaddressed by this Government, are first the continued monopoly buying rights of the British Gas Corporation, and second the effective refusal to allow gas exports, especially to gas-hungry Western Europe, regardless of price.

These artificial and hence removable obstacles are in total contrast with the treatment of oil, our great North Sea success story. For oil (hydrocarbons in liquid form) we have always allowed sales at the world free market price and oil exploration and production have flourished, at least until recently when the Government has become too greedy for extra tax revenue. By contrast for gas (hydrocarbons in vapour form) we have allowed only one market outlet, the nationalised Gas Corporation which can and does set its own restrictive price terms.

For the past decade the oil industry has not explored for or exploited new gas fields in British waters and has been reluctant to enter new contracts even for associated gas, the automatic byproduct of most oil production. Yet this distinction of treatment between the two forms of hydrocarbons is a physcal not an economic distinction; and what different results it has had for the nation. The oil policy has succeeded in developing our oil; the gas policy has largely failed to develop our full gas reserves. Would we have a flourishing oil industry if for the last 15 years a BNOC had been allowed to buy all British oil without competition or exports, and entirely on its own price terms? The answer is obvious.

What then should be done to ensure the optimal and speedy exploitation of all our gas resources since these gas resources are by far the nation's largest underexploited asset? First the Government must accept that their task should be to provide the oil industry and the City with the right economic framework. Second, they must immediately remove the British Gas monopoly buying rights on future offshore gas contracts and allow, and indeed encourage the export of gas particularly to Western Europe, the natural customer. Both policy changes are essential for the first would be meaningless without the second. There must be competition for gas as there is for oil.

These changes alone will guarantee one or more viable gas pipeline projects (and eventually other major pipeline projects to develop our numerous gasfields) by ensuring the oil companies are properly paid for their gas and thus become enthusiastic sellers and willing pipeline participants. Further, there will be no loss of a proper share of the profits on all this gas activity going to the Exchequer since essentially the same tax regime applies to gas as to oil. Indeed, with the very considerable enhancement of activity the Exchequer should be a major beneficiary, for exploration for new gasfields and development of known fields will begin in earnest. In place of the recently proposed monolithic scheme there will probably be several smaller phased schemes.

Third, there should be a major new effort to co-operate with Norway in getting both British and Norwegian gas to Western Europe as quickly and in as large a quantity as possible. British Gas, with its vast experience and statutory rights to build onshore pipelines has an unquestioned and major role here, as onshore pipelines are much the cheapest route to Europe. Given the enumerated policy changes the chance for an enthusiastic partnership with Norway becomes feasible. Properly handled, difficulties caused by past policies could be quickly forgotten.

A major bonus from these policies is that the undesirable Soviet gas pipeline to Western Europe could be postponed or even cancelled, thus helping our EEC partners to a politically secure source of gas and strengthening the Nato alliance. The major business opportunities of the Soviet pipeline, so attractive to economically depressed Western Europe, would largely be transferred to the North Sea.

These proposals would give a major boost to British prosperity, EEC solidarity and Nato security. Fortified by the success story of our North Sea oil it is to be hoped that this Government has the courage to adopt the same policies for gas.

- Allen Sykes, an economist and joint author with A. J. Merrett of The Finance and Analysis of Capital Projects, writes in his personal capacity.

Letters to the Editor

Adjustment

From Mr J. Lockwood.

Sir,—My I add my support to Mr Austin Pilkington (September 7) and at the same time agree with the opinion of many people that the under 25s in the Western industrialised countries will not accept an ever increasing rate of unemployment without threatening to upset the stability and law and order of their respective countries.

Mr Pilkington is quite right to suggest a reduction in the working life of the male and as a first step may I point out that in a society that claims equality of the sexes, an effort should be made to bring the male retirement age down to 60 as enjoyed by the female. Such action will, of course, cost money, but this would surely be more than recouped by making way for younger men of greater vitality with more modern ideas and technological know-how, giving greater efficiency to industry. Let us not forget that the over 60 needs Government support for his spouse and himself only, while a younger man not working, in most cases, requires state support for his children also.

The sooner we accept that the introduction of automation through the micro-chip, mini-computers and robotics will have the lasting effect of reducing the overall workforce at all levels, the sooner we shall get to grips with the obvious adjustments which will have to take place.

John R. Lockwood.
33 Dunsmore Drive,
Salendine Nook, Huddersfield.

Advice

From the Chairman,
Society of Pension Consultants.

Sir,—I was glad to read Mr Colbran's clarification (August 27) of the earlier letter written by Mr Martin Paterson, which had clearly misled some readers.

Mr Colbran refers to the danger that the pension industry may try to take important decisions out of the hands of the employers. This I suggest implies a view of the attitudes of senior managements which is unflattering to management and at variance with the real commercial world. But in so far as this may be seen as a danger, I am sure that members of the society would agree that it is a temptation which must be firmly resisted.

(Sir) Donald Sargent.
Ludgate House,
Ludgate Circus, EC4.

Strategy

From Mr J. Leslie

Sir, — Professor Ansoff (August 26) stresses the importance to companies of "strategically re-positioning" themselves during a recession to ensure post-recession survival since renewed growth no longer can be assumed. He argues that strategic management will be more important over the next two decades because of increasing uncertainties in the world. Companies, he suggests, could train some of their managers in a number of relatively simple techniques.

The logic and implications of the argument are inescapable but unfortunately not universally applied. Many companies have reduced their strategic and development resources as part of recent cost cutting exercises. Currently there is negligible job recruitment in this area. Additional problems arise from the fact that top management, if promoted from line management, can regard itself as sufficiently entrepreneurial and be out of sympathy with the monitoring work or systematic screening of options undertaken by strategic management. Also there can be a considerable lead time, up to two years, before a "do-it-yourself" manager is genuinely confident and productive in a strategic position.

The first things that have to happen are for top management to understand in greater depth the increasing importance of strategic management, make a realistic commitment to provide adequate resources including manpower, training and finance and act on the results.

J. A. Leslie,
Chelsea Cloisters,
Sloane Avenue, SW3.

Allowances

From Mr E. Gurney

Sir, — Noting the favourable bank lending facilities available to private sector companies in France, and the still more favourable environment in which companies in the public sector borrow in that country, it would now seem to be appropriate to apply similar double standards to the tax allowances available in the UK for the purchase of motor vehicles.

Such allowances, in the financial year April 1982/83, might simply be limited to vehicles where 70 per cent by value accrued to UK industry. There would, of course, be an outcry for some 12 or 18 months, but in the short term at least, the EEC would seem to have no power to do anything about it, and by the end of 1983 both the Acclaim and the LC10 would be safely launched—et voila!

The timing would be right, and what's right for turkeys and torpedoes can't be wrong for Triumphs.

E. R. Gurney.
30 Milsom Street, Bath.

Technology

From Mr A. Benjamin

Sir,—Mr Tarring's letter on information (September 5) is an important contribution to the information technology debate. He is right to say that information is the end and the transfer technology (satellites, computer networks, videotex, etc) only the means.

He misses one crucial point however. With the developments now possible through semi-conductor technology and telecommunications, the means can create information. The technologies at our disposal are not just those of transfer—they are also those of meaning and interpretation.

For example, data or text can be sorted, restructured, produced in graphics form, combined in endless ways to give new or different meanings to the user.

Britain as a supplier of static or one dimensional information is an exciting prospect. Britain as a source of information technology—which includes dynamic information as well as the means of its storage, processing, retrieval and transfer, is a brilliant prospect.

If Britain does not have the capability to produce information technology and for some unforeseeable reasons is denied access—what use will the information itself be—lonely and untransferable? So perhaps we are both needed Mr Tarring?

Alan A. Benjamin.
Computer Analysts and Programmers (United Kingdom).
20-26 Lambs Conduit Street WC1

Namibia

From Mr L Irvine-Brown

Sir,—I wish I could make out what lies behind your thinking on the U.S. and South Africa. Your leader is, by normal Fleet Street standards, in the top flight but your whole approach is that South Africa is inevitably in the wrong.

There is no suggestion that this could possibly be the case of a beleagured white civilisation fighting the entire coloured world for its very survival. Is there some deep psychological kink here which makes you oppose your own kind not for what they are doing but merely for what they are? Officially, of course, it is a matter of very simple sums. If we can get more trade out of black Africa than white then the whites become expendable but surely that cannot apply to the Canadians who are even more keen than you are to obtain a "settlement" in Namibia leading to that country's independence. But that settlement, no matter how it is arrived at, will do no more than legitimise control by Swapo which means handing the territory over to a Marxist dictatorship. I know that, you know it, it is even possible that Sir Ian Gilmour knows it but do the Canadians know it and if so do they care?

You have pointed out that Angola, once second only to South Africa in its prosperity, has now been brought to a standard of squalid poverty. Namibia now appears to have taken that second place. Is it really in the interest of the world at large, of the Africans themselves or anybody else to have a repetition of Angola there merely because we dislike the South Africans?

L. Irvine-Brown.
Church Street,
Wyre Piddle, Worcs.

Pets

From the Honorary Secretary,
Group for the Study of the Human Companion Animal Bond.

Sir,—An impressive body of evidence exists that the bond between pets and humans is beneficial to the individuals involved and in many ways to society around them. Animals are not simply a "substitute for people" although many rely for physical, mental and social stability on pets—the handicapped and horses, post-heart-attack patients and their dogs, old folks and budgerigars.

One common practice strikes at these sensible, humane and beneficial relationships, that is the prohibition local authorities place on ownership of pets in council houses. There can be no bigger blow to the elderly or the rehoused than to be told that the price of having a roof over their heads is the loss or killing of their pet "because it's the rules."

Under the new tenants charter, by this October local authorities are required to make arrangements to consult secure tenants on a wide range of housing management matters and take their representations into account. If council house tenants feel that the prohibition of pets causes unnecessary suffering and is a loss of a vital part of our socail life, they must present their cases so coherently and firmly to their local authorities (and be prepared for arguments about strays, communicable diseases, dirt or irresponsible pet owners) that if thei r local authorities refuse to allow pets in houses they are seen to be breaching the spirit of the tenants charter. It is, understandably, vital to approach this by classifying the problem of pets in houses as a housing management matter in the first place.

Meredith Lloyd-Evans.
SmithKline Animal Health,
Mundells, Welwyn Garden City, Herts.

Banking

From the Honorary Secretary,
Croydon Giro Users Group

Sir,—One banking organisation's customers are unaffected by the moves reported by William Hall (September 5) to reduce the number of outlets where bank customers can cash their cheques free of charge. They are the 1m customers of the National Giro.

With the equivalent of the banks' cheque guarantee card it stil costs them nothing when they cash a cheque for up to £50 in some 20,000 Post Offices. Not only is this a greater number of outlets than possessed by all the banks together, but they are open for longer hours including Saturday mornings.

A. E. Reynolds.
Croydon Giro Users Group,
40, Leyburn Gardens, Croydon.

Ian Davidson interviews John Alderson, chief constable of Devon and Cornwall, following his controversial evidence to the Scarman inquiry

'Otherwise there will be more riots . . .'

FOR EIGHT years now, a philosophical and political *struggle has been in progress* between John Alderson, the Chief Constable of Devon and Cornwall, and most of the other leaders of the British police service, over whether this country needs a radical reform of policing style.

Until the Brixton riots, the *onus was on Mr Alderson* to persuade, and, if possible to demonstrate by example in his own constabulary, that law enforcement by itself is not enough, and that you get better results, in terms of the *preservation of the Queen's Peace* ("a lovely phrase, that") if the police participate in the community and the community participates in its own policing.

Since April the whole climate has changed. Brixton and the riots in Moss-side and Toxteth has provoked a much more urgent debate about how Britain should be policed. Its focus has been the Scarman *inquiry which is now drawing* to a close.

Inside and outside Lord Scarman's hearing there has been strong criticism of police methods and an equally vigorous defence of them by the police. But Mr Alderson's evidence was unique—a serving *chief constable, with long* experience, prepared publicly to question the whole approach to policing in modern Britain.

What happens now hangs, in the first instance, on the judgment of Lord Scarman's report *on the riot. Then it will be up* to the Government to respond. In the meantime Mr Alderson spent some time earlier this week outlining his distinctive views in an interview.

I asked him whether he thought Lord Scarman was likely to say the "right" things (from his point of view). "I *think so, but the trouble is that* he does not have a wide enough remit. Perhaps he will recommend a Royal Commission to look at the broader issues."

He believes the Home Office is interested in his ideas and is thinking deeply about them, but he finds it difficult to visualise this Government having the courage to implement any reforms.

"But if they do not, they will be politically discredited. They must start something going, and move smartly, because otherwise there will be more riots. Now is the time; we have a *late chance to avoid a second* wave of serious disorder. Let us do it now, let us say the right words.

The core of Mr Alderson's philosophy is that policing is an organic part of the life of the *community, that the police are* there to serve, not the State, not the force, but the community, and that it depends crucially on the co-operation and participation of the community.

In practice, this means that *Devon and Cornwall is policed* at the grass roots by some 330 beat men who permanently patrol their own patch, usually on foot, but in some rural areas by car. Their job is to know their local community thoroughly, and to be known by it, and to deal with minor crime. Behind them lie 24-hour mobile patrols for emergencies, and the full panoply of CID and other traditional police functions.

But the purpose of the exercise is not just to give policing a human face, as a public rela*tions operation, but to find ways* of preventing crime; by coopting the community into shared responsibility for its own policing, and by searching out the causes of crime. Among other things, this means setting up local Community Policing Consultative *Groups, and trying* to persuade other government *agencies to take* account of the impact that their actions can have on crime rates.

Mr Alderson does not pretend that his approach is easy, as he admits in his 1980 Annual Report: "it is because the preventive *approach is so difficult* and full of imponderables and uncertainties that it deters all but the most determined. Far simpler is the approach through enforcement, since all that it entails is to await the commission of crime, to pursue its detection, and to punish the offender."

Or as he put it more colloquially to me: "I'm asking for radical thought, in the hope that it could lead to radical change, because we are outgrowing our institutions fast. Law enforcement is part of keeping the peace, but if in doing it you destroy the place, what's the point? But these are difficult issues for policemen to come to terms with . . ."

Mr Alderson was bon in Yorkshire 59 years ago, and after *war service as a PT instructor* he joined the West Riding Police. When he was 41 he was sent on the first Senior Command Course at the Police Staff College, and after a stint at deputy Chief Constable in Dorset, he held a series of senior appointments in the Met, culminating in 1973, after three years as Commandant of the Police College, as assistant com*missioner in charge of per*sonnel and training, under Robert Mark.

Mr Alderson describes how he came to be promoted Chief *Constable of Devon and Corn*wall before that year was out: "I rather suspect that Robert Mark though it wouldn't be a good thing to have too many *reformers at the Yard. It's a* very tight-knit little community, and the Commissioner likes a degree of harmony, and if you've got big problems as he had—dealing with corruption—I don't think his attention *could have been directed into* too many reforms. So he kindly suggested one day that I apply for Devon and Cornwall—which I wasn't particularly interested in off my own bat at that time. I was thinking very much of continuing in the Met. But eventually I applied, and was appointed."

In other words, he had been hoping, and indeed continued to hope even after his move to Exeter, that he might have a chance of succeeding Robert *Mark as Commissioner. This* explains why he was somewhat tentative in introducing his policing reforms in Devon and Cornwall for several years; to begin with it was just an experimental scheme in Exeter, and *the big push to convert the* entire force to the new *approach* did not start until it became *clear, in the mid-1970s,* that Mark's successor in 1977 was to be Mr David McNee.

"That push started when I realised that my destiny was probably to be where I was, and rather than *just*, being Chief *Constable of Devon and Corn*wall, I felt the need to let something out which I had been more or less garnering for greater responsibilities. But I couldn't ask the force to change too much if I were not going to *stay too long. I committed* myself in the mid-1970s to seeing through my thoughts into action and into writing. I thought this would be in a sense my final contribution to the police service."

Of the Met's predicament today he says: "My heart bleeds for them sometimes—they seem to be locked in a psychological trap and unable to get out of *it. They've got many good cops*, but the force is thrashing around, feeling misunderstood, rejected by many but championed by some, including the *Prime Minister—you know.* 'Our heroes, it makes you proud to be British'—and that only feeds the law and order men, you see."

"I don't dislike abstract thinking, but I hate discourse with people with closed minds, who trivialise everything you say in order to defeat it; when they say "Bloody 'ell, John, what the bloody 'ell next?"

To the inevitable question—do Mr Alderson's theories work in practice?—there can only be uncertain answers. In the first place, his force only went over to his *philosophy lock, stock* and barrel two years ago, and that is a very short time to test a long-term strategy whose very essence is that there are no crash-bang solutions.

The aggregate crime statistics do not provide a clear answer, but in any case, crime statistics *are a pretty crude indication of real crime rates. Most crimes* are not reported, and it is perfectly conceivable that a better police image would lead to a higher reporting rate, without necessarily implying any change in the real crime rate.

On the other hand, Exeter has quite a lot of anecdotal indications that individual community policemen have succeeded in cutting down certain types of local petty crime. Just as important, there is plenty of anecdotal evidence that the public likes the new approach: *one community* constable was convicted of indecent exposure, and yet the chairman of the local council asked Mr Alderson (in vain) that the man should nevertheless *be allowed to stay* on his beat.

It is obviously not at all easy to change the entire pattern of thought of a force of 2,700 men, some of whom have been hardened in the old ways, and *Mr Alderson's ideas* were initially received with great scepticism and doubt. "It took me six years to get the force generally believing in what I was saying. But it's the *job of a* leader to test if the ice is thick enough—if he gets to the other side, they shout 'We're coming!'

Mr Alderson makes his approach sound so natural and so self-fulfilling that anyone could take on the role of a community policeman. "Probably most PCs could do it, but a lot can't. It involves the *willingness to want to under*stand people you don't like, or whose modus vivendi is not yours, and somehow you're being asked to respect dirty people, incompetent people, disorderly people. Policemen love order, and anything which is out of order offends a policeman. To walk down an orderly stree[t] is fine, but to walk down [a] scruffy street, and to get down to respecting those people i[s] asking a hell of a lot. *But you must* do it, you must in you[r] *heart want to respect people fo[r]* what they are."

The converse danger also exists. Some beat policemen have had to be transferred bcause, while they were doing fine with the social work, they were utterly neglecting the policing aspect.

On one point Mr Alderson i[s] quite clear: communtiy polic[ing] it not likely to work if it i[s] a cosmetic afterthought in a[n] unregenerated law-enforcemen[t] agency. Several forces ca[n] point to localised communit[y] *policing experiments*, but th[e] inherent conflict in objective[s] bursts out as soon as the Specia[l] Patrol Group roars in.

In his submission to Lor[d] Scarman's inquiry, Mr Alderso[n] has taken his ideas for loca[l] *participation and police accoun[t]*ability another step forwar[d] with the proposal that Polic[e] Authorities should be made t[o] set up district and neighbou[r]*hood police councils, not onl[y]* in the provinces but also in th[e] Met., and that district council[s] should have a say (but not th[e] decision) in the appointment o[f] their local police commande[r]. In his own force this proposa[l] *has encountered what Mr Alde[r]*son chastely describes as "[a] wee bit of doubt," not to men[]tion some controversy in hi[s] own Police Authority.

But Mr Alderson is unrepen[t]ant. He told the Polic[e] *Authority in Plymouth las[t]* week: "Some say it is no bus[i]ness of mine. But since whe[n] has the question of keeping th[e] peace in my own country bee[n] no business of mine? I hav[e] been engaged in its pursuit f[or] *35 years in many places*, includ[]ing London."

Over to you, Lord Scarman.

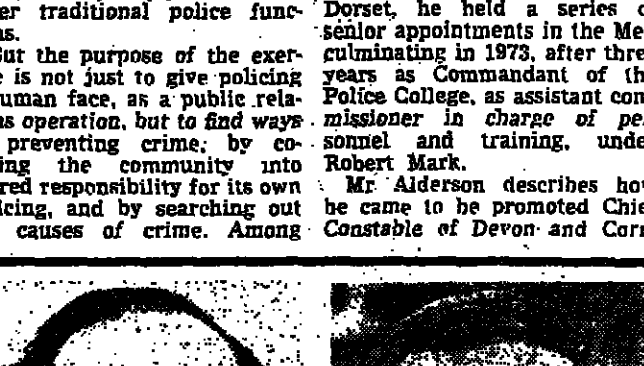
Mr John Alderson: community policing pioneer

Weekend Brief

Boycott, retired hurt

The suspension of Geoffrey Boycott by his team manager and former colleague Ray Illingworth for his unauthorised comments in the media about his treatment—he was left out *of several limited overs games* for younger players, and the results might be said to have justified the decision—in yet another unhappy incident in the club's recent history. *It basically* all stems from lack of success *on the field.*

Yorkshire has dominated first class cricket for so long that Yorkshiremen grew to expect it. It was their heritage, and they cannot understand what has gone wrong during the last decade.



Two mighty opposites: Boycott and Illingworth

The club has not enjoyed a major success since 1968, ironically the year Illingworth left because he was dissatisfied with his contract. In 1970 Brian Close was abruptly sacked as captain and Boycott took over *the following summer*, probably at least two years too soon. He reigned until 1978 and, though he continued to churn out runs in great quantities and proved an astute tactition, *his leader*ship lacked something in diplomacy, tact and understanding. *If this had not been the* case, he would obviously have skippered England for several years. The Yorkshire results continued to be disappointing under his command.

In an effort to improve York*shire cricket, which was not* just standing still but seemed to be going backwards, Illingworth, who had done so well with England and Leicester as captain, was appointed team manager and, first Hampshire and then Old, were given the captaincy. There has been a slight improvement, but the sad fact remains that Yorkshire have still not won any of the competitions, although there are four available these days.

One of the main reasons is that the club, thankfully, rely only on home-grown talent. If the Notts pair, Hadlee and Rice, or the Somerset pair, Richards *and Garner*, were introduced into the present Yorkshire team, it would almost certainly capture one, probably two, titles.

The Reform Group of disenchanted Yorkshire members, *who came into being in* an unsuccessful effort to stop the captaincy being taken away from Boycott back in the 1970s, are now seeking the dismissal of Illingworth, whom they think to have failed. In contrast, some committee men believe that Yorkshire cricket would be better off without Boycott, despite his ability as a batsman and his drawing-power as one *of the more improbable folk* heroes, because it cannot be easy for the players in the dressing-room at the present time, with one captain, two sacked *captains, a team man*ager, and a strained atmosphere.

Whatever the outcome, more unsavoury squabbling seems inevitable.

A hassle over cassocks

The Greeks, too, have a phrase for the cassock: that it does not make a priest. But 81 married *priests of the Corinth Diocese* who would like to get rid of it as compulsory wear, except on formal occasions inside their churches, seem likely to get short shrift from the Athens Holy Synod, governing body of the Orthodox Church of Greece.

The 81 priests signed a petition to the Holy Synod, with copies for Mr Constantine Karamanlis, the President of *the Republic, and all Athens* newspapers, urging that Orthodox priests in Greece, as in other countries, should be permitted to wear an ordinary dark suit and *clerical collar* outside church, leaving their ankle-length black cassocks and pillbox hats hanging in the vestry.

They argued their point on grounds of "productivity," and *human relations*. Clerical garb, they told the Synod, hindered them in making contact with their parishioners in "drawing rooms, tavernas, coffeeshops and even sidewalk conversa*tions, and was the main expla*nation why the average Greek considered an early morning meeting with a priest as a certain promise of a misearble day.

Also, they said, too few "educated young girls" were prepared to accept as husbands men who all their lives must never be seen in public in a suit. The reduced marital expectations, they said, were one explanation why "educated young men are no longer offer*ing themselves for the priest*hood in sufficient numbers."

While these may be arguable assertions, the 81 priests appear to have gone adrift on their history. The cassock, they said in their petition, had no basis in orthodox *tradition* and history, and was imposed by the *moslem* sultans during the 400 years of Turkish occupation of Greece.

The first and, so far, only reaction of the Holy Synod, in *the form of a reported state*ment to the Greek Press by a Synod historian, is that the cassock can be traced back to the 7th century and is compulsory wear also for priests of other orthodox churches, such as the Russian, which *were never subjected to the* Turks.

*In Greece, it was made regula*tion attire by a Holy Synod decree of 1855, more than a quarter of a century after Greece regained its independence from Turkish rule.

There have been some relaxa*tions in clerical appearance in* recent years. Priests are no *longer subject to disciplinary* action if their turnout suggests they might be trimming their hair and beards, while no objections are raised now to their *driving a car. Some of* the younger ones are occasionally to be seen in cinemas, and are quite prepared to stand in crowded buses if the conductor's *mandatory call for "a place for* the priest" finds the seated passengers temporarily afflicted with deafness.

But the cassock rule, for ex*ample, still effectively prevents* them from swimming from a public beach.

Meanwhile, living in retirement on the Aegean pilgrimage island of Tinos, the Greek Lourdes, is a former primate of the Greek Church, Archbishop Ieronymos, who can afford a smile of satisfaction over the Corinthian priests' petition.

In 1967, shortly after his election as Archbishop of Athens and All Greece, he observed in an interview with this reporter: "One of the many obstacles (to *recruitment of youth for the* priesthood) *is our vestments and* beards and long hair and hat, which make young girls abstain from marrying men who will become priests. When I was Professor at the University of Salonika I made an investigation among the theological students to find out why so many finally did not enter the priesthood and almost 80 per cent gave this *explanation*—it's unbelievable, but it's the reality."

Archbishop Teronymos, who was ousted from the primacy shortly before the 1974 restoration of democracy in Greece, forecast that it would "take time to change public attitudes."

No change has yet occurred. The Corinthian priests apparently hope to hurry it along.

The French have two words for it

Nuclear reactors were born in conditions of great secrecy so the scientists adopted witty [illegible] their real purpose. During the second world war, in a cavern in a canyon at Los Alamos, lived an *experiment called* Clementine (fuelled by plutonium) then *known among* the scientists by the code-number 49.

Jezebel was mean and hard to handle. Topsy just grew and grew. Lady Godiva, stripped of the customary reactor cladding and shielding, was bare and fast.

French nuclear scientists have *continued to give* names rather than just initials to their reactors and experiments, often seking inspiration in mythology. So we find Phoenix fuelled from the ashes of other reactors; and its big brother, Superphoenix, a 1,200-megawatt demonstration power station.

These are *fast breeder* reactors, with plutonium fuel and *molten sodium* as an extremely efficient coolent. At Cardanache, biggest of the French nuclear research centres, in undulating woodland not far from Aix-en-Provence, are the associated experiments to demonstrate the safety of various parts of these sodium-cooled fast reactors.

Here we find Argonaute, Bacchus, Caliban, Castor, Gulliver *(une grosse installation)*, pot-bellied Obelix, and dozens more. Vautour, a vulture, demonstrates a way of scavenging debris from molten sodium. *Plouf, French for "plop"*, studies what happens to pre*cision* parts when dropped suddenly into molten sodium. A French experiment called Caphe has a counterpart in Italy called Expresso.

But back in the mid-1970s, I wrote that French wit had perhaps over-reached *itself for a* world in which hostility was *growing apace for the* sodium-cooled fast reactor. Critics of nuclear energy were *busy* reminding folk of those early *chemistry* lessons when teacher cut a pellet of putty-like sodium metal and dropped it into water.

The pellet would melt and dash round the surface of the water like a demented water*beetle, until it dissolved.* Just imagine the consequences of a leak of molten sodium in a reactor raising steam, chorused the doomsters.

The French scientists were confident very little would happen. But they planned a series of experiments staging deliberate leaks of *molten* sodium, starting with about 200 *kilogrammes*. They called these experiments Cassandre, Lucifer and Satan.

At Cadarache the other day the scientists showed me how far their experiments have progressed. They have done more than fifty now, using up to a tonne of molten sodium. There's *a brief moment of high drama* but a sodium fire is very quickly extinguished. Flames from burning sodium rarely exceed one centimetre in height.

Still the doomsters were not *satisfied. Supposing tonnes of* sodium gushed from a really bad leak? Superphenix, when it comes into operation in 1984, will contain about 5,000 tonnes of molten sodium.

So the scientists are planning *an experiment next year in* which they will set fire to a lake of molten sodium, up to 70 tonnes, inside a concrete "cathedral" now being built on a hillside at Cadarache. The experiment is called Esmeralda.

But whatever happened to those delightfully provocative names you used to choose for sodium safety experiments? I asked. The scientist grinned rather uncomfortably. "Well, we wanted to call it Super Satan . . . ."

Contributors:
Trevor Bailey
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Economic Diary

TODAY: Mr Alexander Haig, U.S. Secretary of State, visits Yugoslavia.

TOMORROW: U.S. Secretary Haig starts two-day visit to West Berlin and Bonn. Mr David Owen and Mr David Steel debate *on TV prospects for SDP/* Liberal Party alliance.

MONDAY: August provisional figures for retail sales. International Monetary Fund pub*lishes annual report. European* Parliament session opens, Strasbourg (to September 18). EEC Foreign Ministers meet, Brussels. Norwegian general *election.*

TUESDAY: July provisional index of industrial production. CBI statement on public spending. British Tourist Authority annual report published. Liberal Party conference opens, Llan*dudno (to September 19).* Mr Michael Foot and Mr Denis Healey start visit to Soviet Union.

WEDNESDAY: July indices of *average earnings. August indices* of basic rates of wages. CBI council meets, London. Mr John Nott, Defence Secretary, visits Egypt at start of Middle East *tour. Financial Times* Euro-Korean Symposium opens, Brussels (to September 17).

THURSDAY: National income and expenditure 1981 edition (Blue Book). Bank of England Bulletin (second quarter): UK banking sector statistics; financing of the Central Government borrowing requirement; money stock. Second quarter *revised figures for: capital ex*penditure by the manufacturing, distributive and services industries; manufacturers' and distributors' stocks. Mid-August figures for: UK banks' assets and liabilities and the money stock; London dollar and sterling certificates of deposit. *EEC Finan[ce]* Ministers meet in Brussels, [to] discuss insurance. Royal Tel[e]vision Society convention open[s] Cambridge (to September 20). *Scottish Prison Officers annu[al]* conference opens, Edinburgh (to September 18). The Economi[st] international oil supplies an[d] stockpiling conference open[s] *Hamburg (to September 1[8])*. Institute of Directors co[n]ference on the financial a[nd] legal implications of manag[e]ment buy-outs.

FRIDAY: August figures pu[b]lished for: retail prices inde[x]; tax and price index; cyclic[al] indicators for the UK econom[y]; usable steel production.

BSR back in the black with £2.77m

DESPITE forecasting a loss for the first half, BSR has swung back into profit in the six months to July 4, 1981. When making his forecast in his last annual report, Mr John N. Ferguson, the chairman, said a return to profitability *was expected in the second half* provided sterling did not appreciate over the exchange rates then ruling.

Since then, however, the movement of sterling, particularly against the dollar, has been advantageous to the group, not only in determining the results, but also in increasing the sterling value of overseas assets which have been enhanced by £4m.

There was a pre-tax profit of £2.77m in the first half, compared with losses of £5.16m. Trading profits of this manufacturer of record changers and player mechanisms was £5.25m (£767,000 losses). External sales were down from £69.28m to £66.83m.

Mr Ferguson says the second half outlook is mixed. Trading conditions in the UK remain extremely difficult *in all sectors* of the group's business, and if the high rates of interest in the U.S. continue throughout the year then it would be reasonable to assume, he says, that they must begin to impact adversely *on consumer spending* there.

Action is continually being taken to reduce operating costs still further and, as in the past year or so, emphasis is being maintained on the control of cash through further reductions in working capital, especially stocks, notwithstanding the fact that all major factories are now working normally.

He says the group will, of course, benefit overall if sterling remains at its present level, but the exchange markets have been too volatile in recent months to be able to forecast with any *degree of certainty* what sterling's relationship with other major currencies will be at the end of the year.

The first half pre-tax profits were struck after redundancy costs of £151,000 (£1.71m) and net interest charges of £2.33m (£2.66m). Tax charge was £196,000 (£867,000 credit), and there was an extraordinary debit of *£365,000 (£350,000)*. After minorities of £1.08m (£1,000), attributable profits came out at £1.13m (£4.64m loss).

Stated earnings per 10p share are 1.675p, and there is a return to dividends with an interim of 0.5p. No payments were made in 1980.

Commenting on recent acquisitions, Mr Ferguson says the trading results of Capetronic Group have not been included in *the first half figures as the* acquisition of the net assets was not completed until June 19 1981.

Astec International became a wholly-owned subsidiary on July 13 with the purchase of the outstanding 46.4 per cent of the share capital from the other shareholders and the profits normally attributable to that minority, which amounted to £1.09m for the period under review, will, for the second half, become wholly attributable to the stockholders.

See Lex

£12m loss at Massey Ferguson

HEAVY LOSSES of £12.74m, against profits of £2.3m, are reported by Massey Ferguson Holdings, the agricultural machinery group, for the half-year to April 30 1981. Turnover was also down at £248.73m compared with £301.66m.

The board says the results *relate to the period during* which the parent company, Massey Ferguson Limited, was negotiating re-financing with its lenders *on a world-wide basis* during this period, the adverse effects of which were particu*larly severe in the first quarter.*

This was consistent with the parent company's world-wide results, and were aggravated by continuing low activity *levels in* its markets. The re-financing was successfully completed in mid-July 1981.

There was an overseas tax charge in the first half of £63,000 (£100,000) and a loss per share *of 160p (earnings 28p).*

Allen Harvey paying 12p interim

As forecast at the annual meeting in April, Allen Harvey and Ross, the bill broker and banker, is paying an interim dividend of 12p net per £1 share. This compares with an interim of 10p last year, which was *followed by a final of 13p.*

At the meeting, the company said that the higher dividend was to achieve greater equality between the interim and final payments and to confirm the board's stated intention of a gradual increase in dividends.

Although the first quarter's trading had been successful, with satisfactory profits being earned, the company says the second quarter was more difficult as sterling interest rates rose in response to the high level of U.S. interest rates.

The Civil Servants' dispute and the weakness of the pound unsettled the gilt-edged market, but the resulting nervousness led to satisfactory running margins, which compared well to those obtainable in the comparable period of 1980.

The company says full year results will depend on the timing of any fall in U.S. interest rates and on the level of sterling interest rates produced by the new techniques of monetary control.

See Lex

Haynes picks up in second half

IN THE second six months ended May 31 1981 Haynes Publishing *Group made up the ground lost* at midway to finish the year with pre-tax profits ahead from £670,000 to £779,000. At half-time, the taxable figures had fallen by £47,000 to £350,000.

Full year turnover increased from £4.52m to £5.27m. The group is engaged in the printing, publishing and selling of books *and manuals connected with* motorcarss and motorcycles.

After higher tax of £348,000 (£132,000) stated earnings per 20p share fell from 11.1p to 8.6p, but the year's dividend is raised by 1p to 8p net with an unchanged final of 5p.

The dividends absorb £129,000 (£112,000) and with extraordinary *debits last time accounting for* £107,000, the retained balance emerged £17,000 lower at £302,000.

Current cost earnings per share were 4.1p (8p).

Mr H. S. Haynes has resigned from the Board.

● comment

Haynes' profits are virtually back up where they were before it went public. A good second half surge in sales has lifted profits in the closing six months by nearly two-thirds leaving the full year ahead 16 per cent. The preliminary figures give no indication as to the breakdown between the UK and overseas (effectively the U.S.), but the chances are that it was the UK which provided all the profits gain. The potential of the U.S. market for maintenance manuals has provided the rather elusive carrot for investors ever since the *company's flotation. But this* year the U.S. could really make an impact. The exchange rate is moving in Haynes' favour but more importantly the company has been able to get new titles *flowing covering the U.S.* domestic market rather than just imported British or Japanese cars. Last year it only launched a handful of U.S. orientated manuals but so far in 1981-82 14 new titles have been pub*lished. It has perhaps taken* Haynes longer than expected to get the U.S. side going but profits could soon work through. Meantime the home market is described as buoyant yet it is a market where conditions can *rapidly change. At 140p however* the shares are looking well up with events. A fully taxed p/e of 18 is looking a bit steep and though there is a 8½ per cent yield, this would only be covered on a historic basis with £31,000 *to spare if it were not for divi*dend waivers, while CCA earnings are roughly half the historic level.

Home Counties Newspapers falls midway

Pre-tax profits of Home Counties Newspapers were down from £206,000 to £37,000 in the 26 weeks to July 3, 1981. Turnover of this newspaper publisher dropped from £5.39m to £5.2m.

The pre-tax figure included investment income this time of £18,000 and interest received of £11,000 (£48,000). After tax down from £119,000 to £18,000, attributable profits came out at £19,000 (£87,000). The interim dividend is unchanged at 1.75p—last year's total was 6.5p from pre-tax profits of £403,000.

Consideration of the final dividend will be made in the light of trading results for the second half and the prospects for 1982.

On a CCA basis, there was a pre-tax loss of £99,000 (£51,000 profit).

Appleyard cuts first-half deficit

AT THE trading level, the Appleyard Group of Companies made a reduced profit of £55,000 for the first half of 1981, against *£241,000 last time. After interest* and display charges £520,000 lower at £566,000, this motor dealer incurred a pre-tax loss of £511,000, compared with a deficit of £845,000.

However, after tax charges of £86,000 (£39,000) and extraordinary credits of £199,000 (£1.46m debits reflecting closures and redundancies) the net loss is reduced from £2.35m to *£398,000. An interim dividend* of 0.1p per share will be paid in order to retain trustee status *—no payments were made last* year, when the pre-tax deficit totalled £1.88m.

Group external sales for the half year dropped from £66.1m to £49.05m, excluding car tax and VAT. Mr Ian Appleyard, the chairman, comments that the exceptionally competitive state of the retail motor business is still keeping margins at an uneconomic level. As a consequence, he says the real progress made within the group is not reflected in these results.

Guinness Peat profits tumble

THE CONTINUATION of the recession, together with a substantial trading loss of around *£4m from one of its American* physical commodity operations, has had a severe impact upon results of Guinness Peat Group for the year ended April 30, 1981.

Pre-tax profits for the 12 months have collapsed from £15.67m to £2.79m with the group making losses in the second half of £0.76m (£9.45m profits). In view of the poor results the final dividend is being cut from 4.25p to 1.25p net for a total payment of 4p (7p) per 25p share.

Commenting on the serious loss in America, Mr Edmund Dell, the chairman, says that appropriate management changes *have now been made to ensure* the firm control in future of this operation by the group's New Yok commodity headquarters.

Profits of the commodity broking and dealing division as a whole were down by some £9.5m on the previous year, although the chairman points out that the figure of £3.62m was at a similar level to most earlier years.

Commodity activities have continued dull in recent months exacerbated by high interest costs, but in other divisions the figures for the first three months of the current year show an *improvement on the corresponding period of last year.*

Disclosed banking profits from Guinness Mahon increased by more than 20 per cent to £2.2m for the year, which was based on a steady improvement in busi*ness in London and overseas.*

There was continuing strong growth in the insurance broking division, where profits rose from £0.98m to £1.32m, and a continued good performance by the aircraft broking and leasing *companies* — profits up from £735,000 to £920,000. Money broking activities progressed well with their contribution higher at £2.87m (£2.55m).

The present difficult trading conditions were reflected in *increased* losses of £1.02m (£0.58m) for the industrials side, while the chemicals division fell from a profit of £309,000 into a loss of £197,000.

Elsewhere international projects and commodity processing profits were halved at £0.66m and the general merchanting result dropped from £798,000 to £461,000. The financial services, investments, and property side, however, showed a small improvement to £1m (£0.95m).

Since the year end, the group has closed down Deutsch & Brenner, Compact Packaging, Ray Pack and Biddle Sawyer Foods, and has *also sold* M. L. Alkan and disposed of the interest in Wrightson Wood. These together contributed losses to the group of £1.08m for 1980-81.

Strong corrective action has been taken in other loss-making *activities. The group has realised* substantial investments where the return at current rates of interest has been too low and it has just completed the disposal of its holding in Linfood Holdings and Greencoat Properties, which *have realised nearly £15m.*

A geographical analysis of full year trading profits shows (in £000s'): UK £8,075 (£11,693); Western Europe £2,981 (£5,471); North and Central America £950 loss (£5,620 profit); Africa £419 (£305) and Far East £1,409 (£171 loss).

Turnover, comprising sales, brokerage and fee income, decreased from £686.06m to £549.43m. Trading profits, included £2.31m (£2.71m) from listed investments but were before charging central costs of £1.63m (£0.94m) and non-trading income of £7.51m (£6.31m).

Tax took £1.78m (£6.26m) and minorities £1.17m (£2.23m). Including disclosed banking profits, the net surplus came through at £2.05m (£8.98m). Stated earnings per share declined from 13.65p to 3.07p.

See Lex

Cantors recovery

Although still well in the red for the 53 weeks to May 2, 1981, results of Cantors show an improving trend.

For the second half of last year and the first half of this, the company, which operates as a furnishing retailer, incurred losses of £290,000 and £325,000 respectively. However, with a *return to profit of £188,000 in the* second half of 1980-81, the full year pre-tax deficit totalled £637,000, compared with £135,000 for the corresponding period.

The year's loss per 20p share is stated at 9.29p (2.85p) and the final dividend is a *nominal* 0.01p net to preserve trustee status. No interim was paid, so the final is left to stand against last year's *total payment of 2.3p.*

Turnover improved marginally from £18.6m to £18.82m and losses were struck after management expenses of £1.36m (£1.15m). They included a credit of £246,000 for variation in provision for deferred profit, against a debit of £210,000 last time.

Tax took £3,000 (£53,000), leaving the net loss at £640,000 (£188,000).

UNITED SCIENTIFIC

The recent rights issue by United Scientific to raise capital to finance the purchase of Alvis from BL has been taken up as to 96.04 per cent.

NEWMAN INDS.

The dividend is due to be paid on November 11 1981 in respect of 10 per cent cumulative preference shares. The 10½ per cent *cumulative preference shares will* be passed.

BIDS AND DEALS

Harris & Sheldon buy out likely to gain approval

THE complicated scheme by which Otis Elevators will buy out the lift businesses of Harris and Sheldon and the current board will buy out the remainder of the businesses, is likely to go through at the special shareholders' *meeting on* Monday morning. However, a poll has already been called for, and several significant shareholders say that they will vote *against* the deal.

The terms of the buy outs, under *which* shareholders are offered 56p cash (equivalent to net asset value) without any opportunity of staying in the new company, formed *from the non*-lift business, have aroused considerable controversy.

Mr Brian Medhurst, chairman of the Investment Protection Committee of the British Insurance Association, said yesterday that there had been "a degree of unease about the *character of the* proposals which raised several points of principle."

Insurance companies, led by Brittanic Assurance, the Prudential, Legal and General, Norwich Union and Royal, formed a case *committee and* sought a number of meetings with the non-executive directors of Harris and Sheldon and their advisors, S. G. Warburg.

Following the meetings the non-executive directors issued a *statement* that they had been asked by the insurance companies to consider "alternative proposals" which could give shareholders a continuing interest in the non-life business.

After "re-examining the proposals" the independent directors concluded that they "cannot come forward with a scheme which would meet this request and which could be recommended to shareholders in preference to the existing proposals."

Mr Medhurst said that the directors' response to the institutions' request cleared up the points of principle. The deal was *now* one for individual investors to make up their minds over. The Prudential, for which Mr Medhurst is investment manager, would be voting in favour of the resolutions, he said.

Price surge blocks Matthew Clark raid

A LARGE block of *shares* of up to 14.9 per cent in Matthew Clark and Sons (Holdings), the wines and spirits shipper, merchant and wine maker, was being sought yesterday by a single buyer. But at the end of the day, *it is thought that the buyer had* only gained around one per cent of the shares.

The buyer is understood to be Warren Plantations. As the doors of the stock market opened yesterday morning, stockbrokers *Buckmaster and Moore* announced on behalf of its unnamed client that they were offering to purchase up to 647,000 ordinary shares (14.9 per cent) in Matthew Clark at 159½p, placing a value on the planned deal *of £1.03m.*

But the runaway share price of Matthew Clark thwarted a successful completion of the deal in yesterday's trading. The shares rose 38p to 172p valuing the whole of Matthew Clark at *£7.3m.*

Mr Guy Gordon Clark, a director, said yesterday that he believed institutional shareholders were not interested in selling. And the group is, he said, "not interested in being controlled by a *plantations* company." He added that the price being offered was not a fair price and the shares are worth "a lot more." There were, he *said*, no immediate plans for a meeting with Warren.

Later the group's chairman, Mr Francis Gordon Clark, said he believed Warren had managed to buy only 35,000 Matthew Clark shares, around 1 per cent.

He regarded the raid as a "compliment" but said "it was launched from ignorance."

Matthew Clark is, he pointed out, the sole agent for Martell in the UK. The agency which Matthew Clark has held since 1833 is of "vital importance" to the business—and there is no guarantee that it would be passed on if Matthew Clark were to be *taken* over.

Mr Gordon Clark said that the Martell family had confirmed yesterday morning that they were not interested in selling.

London and Liverpool confident of advance

THE DIRECTORS of London and Liverpool Trust said yesterday that it would be imprudent to *make any specific profits fore*cast for the current year, in view of the recession, but they were confident that the company would achieve a further advance.

The remarks came in a letter to shareholders detailing the *company's proposed acquisition* of E. M. Exhaust Manufacturing, J. Lloyd and Sons (Silencer Service) and West Midlands Exhaust and Spares, together referred to as the "Lloyd companies."

They forecast pre-tax profits totalling about £300,000 for the Lloyd companies in the year ending on April 30, 1982.

Consideration for the acquisition is £1.17m, to be satisfied as to *£300,000* in cash and the balance by the allotment of 2,685,832 new ordinary shares, of which 571,429 will be retained by the vendors.

None of the directors of the Lloyd companies currently has any written formal contract of service but some will enter them on completion of the acquisition. *Mr J. D. Lloyd will continue as* chairman of Exhaust Manufacturing and his five-year service agreement will provide for bonuses *linked to profits* performance in addition to his salary.

Icahn's Simplicity plan

Mr Carl Icahn, an American investor who together with associates owns 11.2 per cent of Simplicity Pattern Company *announced yesterday that he was* trying to put together a commit*tee to make a full bid for* Simplicity.

Simplicity and NCC Energy, the UK natural resources group controlled by Mr Graham Ferguson Lacey, who is also *chief* executive of Simplicity, are in the last throes of a complex merger.

Mr Icahn, who bought his Simplicity stake when the merger negotiations were well advanced, has said the he will vote against the merger.

Yesterday neither Simplicity nor NCC Energy made an official response *to Mr Icahn's statement*, but Mr Ferguson Lacey said that Mr Icahn was free to try to get a committee together.

S. G. Warburg's joint venture in Australia

A new merchant bank, *Australis Securities, has been* formed by Australian Bank, the new A$50m bank set up last October, jointly with S. G. Warburg and two other banks.

Mr Mark Johnson, formerly a Hill Samuel director and now Australian Bank's *managing* director, yesterday described Australis as a money market subsidiary providing international banking, corporate and project finance services.

Australian Bank holds 60 per cent of Australis, the remaining 40 per cent being held equally by Warburg's, Banque de Paris et des Pays-Bas (Paribas) and A. G. Becker Inc, a *New York* investment bank.

Australian Bank has an authorised capital of $50m of which $30m has been issued to 14 corporate shareholders, including such names as Moonie Oil, Myer Emporium, *North* Broken Hill Holdings, Swan Brewery, West Australian Newspapers and the Shell Australia *Pension Fund.*

Grant Bros. in offer talks

Grant Bros, the Croydon-based department store group, announced yesterday that it was involved in discussions which *might lead to an offer being* made for the whole of the company's issued share capital.

On the Stock Exchange its shares rose by 53p to close at 196p, giving the company a market capitalisation of £2.35m.

Grant Bros lost £345,000 pre-tax in the year to January 31, 1981 on turnover of £10.5m. The previous year it lost £60,000 on turnover of £9.8m.

Mr Alec Grant, the chairman, said last month that the company's main store at *Croydon* was its immediate problem. Its Horsham store and Swattons of Purley had traded profitably in *the last* financial year.

GRAND MET.

The Grand *Metropolitan* acquisition of Intercontinental Hotels Corporation from Pan American World Airways has been *completed.*

A circular giving full details is being prepared and will be sent to shareholders as soon as practicable.

Wavin out of Durapipe Intnl. contest

Glynwed's recent bid for Durapipe *International* has forced Wavin Plastics, the unwelcome bidder, to abandon its suit. Wavin announced yesterday that it intends to allow its offer to lapse at the first closing date, which is September 24.

Wavin said yesterday that it had no intention of raising its bid in the wake of Glynwed's offer of 40p cash per share. This bid values the company at £3.93m. Wavin, a UK subsidiary of a company jointly owned by Shell and a Dutch water company, had offered 27p per share, which *had been bitterly* resisted by Durapipe.

Mr Frank Powell, chairman of Durapipe, said yesterday that he doubted Wavin would launch another bid once this one had lapsed, but he could not be sure. *He said the company is* "very happy" with the Glynwed offer.

Durapipe is to launch its new CUVAR process of PVC pipe manufacture at the International Plastics Exhibition next week. Mr Powell had claimed that Wavin was attempting to acquire the technology before the launch. He said the Wavin bid did not properly reflect the value of the technology.

As a condition to Glynwed's bid, Durapipe's board will recommend that an EGM to be held on Monday, called to approve the issue of preference shares *to raise* £2.1m, be permanently adjourned.

GUTHRIE OFFER FOR PAGE AIRWAYS GOES UNCONDITIONAL

Guthrie Corporation, the UK plantations group in which Permodalan Nasional, the Malaysian Government's national equity corporation, gained control this week, said yesterday *that its tender offer for Page Air*ways in the U.S. had become unconditional. Guthrie is acquiring Page in a deal worth around £38m.

Guthrie has received acceptances amounting to 1.04m *common shares* representing 88.3 per cent of the common stock of Page in respect of its $57.65 per share offer. The offer remains open for acceptances until September 25.

CHURCHBURY/LAW LAND

Churchbury Estates has made its final appeal to outstanding Law Land shareholders to accept the terms of its bid. Churchbury's offer closes next Wednesday and it now has 83.39 per cent of Law Land shares.

The group, headed by Mr Oliver Marriott, says that in view of the Law Land directors' inability to give any positive advice, shareholders should accept the offer. It re-emphasises that the bid terms will not be improved and points out that the marketability of the remaining minority shares is likely to be severely limited.

ARLINGTON MOTORS EXPANSION

ARLINGTON MOTORS expansio

Arlington Motor Company has purchased West Country Motor Auctions of Westbury, Wiltshire, for £580,000, of which £480,000 was paid yesterday.

Based on audited accounts for the year ended January 31 1981, WCMA made a profit of £14,151 and had net tangible assets of £27,972.

Arlington consider WCMA has considerable potential, and supported by the success of Northampton Car Auctions, expect the investment to soon show an attractive return.

Arlington is a subsidiary of Arlington Motor Holdings.

SHARE STAKES

Bank of Scotland—Kuwait Investment Office has acquired £115,000 ordinary stock units bringing its total holding to £2,696,500 (8.27 per cent).

Tranwood Group—Company has received notification of a *joint holding by Mr B. H. Atkins* and Dr C. H. Nemeth of 482,000 ordinary shares, representing 5.01 per cent of the issue share capital.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Abbey Panels ....int.	1.3	Sept. 25	1.3	—	2.05
Allen Harvey Ross ...int.	12	Oct. 12	10	—	23
Appleyard ....int.	0.1‡	Nov. 9	Nil	—	Nil
BSR ....int.	0.5	Dec. 11	Nil	—	Nil
Cantop	0.01‡	—	1.48	0.01	2.3
Celtic Haven	0.25	Nov 12	Nil	0.25	Nil
Guinness Peat	1.25	Nov. 10	4.25	4	7
Haynes Publishing	5	—	5	8	7
Home C'ties News. int.	1.75	Nov. 6	1.75	—	5.5
Lyon and Lyon ......int.	1.5	Oct. 30	1.5	—	5
Myson ....int.	Nil	—	0.25*	—	0.25*
George Oliver ......int.	1.21	Oct. 30	1.1	—	4.4
Rowton Hotels ......int.	3.15	Oct. 30	3.15	—	7
Standard Industrial ...	*Nil*	—	0.95	0.9	1.85

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ To retain trustee

SPAIN

Sept 11	Price %	+ or −
Banco Bilbao	384	
Banco Central	381	−3
Banco Exterior	415	−10
Banco Hispano	320	−6
Banco Ind. Cat.	119	
Banco Santander	335	−4
Banco Urquijo	240	
Banco Vizcaya	400	
Banco Zaragoza	275	−5
Dragados	200	−5
Espanola Zinc	75	
Fecsa	71.5	
Gal. Preciados	56	
Hidrola	82.2	−1.5
Iberduero	58.5	
Petroleos	120.5	−0.5
Petroliber	89	
Sogefisa	91	
Telefonica	85	−0.5
Union Elect.	78.2	−0.3

Results due next week

The news last week that Tornado production may be slowed because of the UK defence budget squeeze could affect the interim figures from British Aerospace due on Tuesday. Tornado is BAe's most important military aircraft project and, in view of the uncertain prospects, the company *could well alter its view on the* appropriate amount of above-the-line write-offs for launching costs. At the AGM in June, the chairman said the group was on target to meet the objectives set out in the share flotation prospectus *last February: that is,* 1981 profits of £65m. Analysts are looking for some improvement on last year's interim profit of £21.29m before tax but perhaps only to £25m, and nothing more than the 3p interim dividend indicated in the prospectus. Further news on BAe's interest in the proposed A-320 short-range airliner would be appreciated.

The full year results from Consolidated Gold Fields' Australian interests—now all within Renison Goldfields Consolidated—were very disappointing while the South African operations produced mixed results. GFSA net profits were up a third while the figures from the directly held gold mines tumbled with international gold prices. In the UK, Amey Roadstone is still having a hard time and the U.S. steel distribution subsidiary, Azcon, is also *suffering* from the recession. Thus, the basic group profit, which is being published on Tuesday, is unlikely to be much different from last year's £141.9m before tax. But two large exceptional items—the £23m net proceeds on the sale of the stake in North Broken Hill plus interest income on the *£131m raised in last November's* rights issue—could lift the pre-tax figure to £190m. The interim dividend was increased by 16 per cent to 8½p but the final, 15p last year, is unlikely to be raised as much.

Analysts are fairly united on expectations of dreary results from Delta Group which reports interim figures on Wednesday. For the half year ended June 30, the company is expected to *return pre-tax profits of about* £5.5-6.5m against £13.45m last year and a full-year figure of between £12m and £14m against £19.6m. The metals side remains depressed although there are some signs that it may pick up later in the year. Overseas contributions, notably South Africa and Australia, should hold steady. The full-year dividend is expected to be maintained at last year's 3.64p. The picture for GKN, which gives interim results on Thursday, is much less clear. A loss is expected for the half-year to June 30, but the size predicted ranges from £1m to over £20m. The question is *whether the group will have any* more rationalisation costs, which generally go above the line. A recovery is expected in the second half, particularly in Germany where profits have dropped sharply. The U.S. division could break even for the year and should the steel sector brighten somewhat in the UK, a *full-year profits of £10-15m are* expected. The dividend is expected to be maintained at 8p.

There is considerable market uncertainty about the interim figures from Burmah Oil, due Wednesday. The best hoped for *is that pre-tax profits will be* kept broadly in line with the £28m recorded in the six months to June 30 1980. But some analysts fear the figure could be as much as £8m below that. There is a large question *mark over stock profits* and downstream oil activities remain a major problem area—witness Burmah's decision to close its Ellesmere Port refinery. That move will mean a substantial write-off in the full year's accounts, presumably below the line. Burmah's motor components and accessories companies, such as Halfords and *Quinton Hazell, face continued* depression in the UK market. In the North Sea, the combined effects of oil price changes, currency movements and higher tax could be a slight drop in net profits. An unchanged interim dividend of 1.5p is to be expected.

Eagle Star Holdings makes its first public appearance since Allianz acquired a near 30 per cent holding when it announces its half-yearly results on Wednesday. The market expects a modest rise in underwriting *losses from £15m to £16m, even* though the UK should show a slight improvement with losses cut marginally to £11m *from £11.6m. Much depends on* whether the improvement in the UK household account will balance the expected continued losses in the large liability account. Investment income should be 20 per cent *higher at £42m and with higher* life profits and an unchanged profit from the industrial subsidiary Grovewood, pre-tax profits should rise by one-fifth to £36m. Eagle Star has already forecast a 47 per cent dividend *rise for 1981 to 15p and share*holders should get 7p of this at the interim stage. Legal and General Group also reporting on Wednesday should show a steady rise in life profits from £6.2m to £7¼m and a substantial cut in underwriting losses from £8.7m to £6m resulting in a one-third rise in net profits to £12m and a 3.5p interim dividend *against 3p last year.*

Other companies announcing their interim results next week include: S. Pearson and Son and Pearson Longman (Monday), Willis Faber (Tuesday), RTZ and Tricentrol (Wednesday) and Booker McConnell, Steetley and UDS (Thursday).

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Amalgamated Estates	Wednesday	—	—	—
Banks (Sidney C.)	Wednesday	1.75	3.5	2.0
Branon	*Thursday*	—	—	—
Chambers & Fargus	Monday	0.25	1.25	0.5
Consolidated Gold Fields	Tuesday	7.5	15.0	8.5
Epicure Holdings	Wednesday	0.4	0.85	0.5
Fletcher Challenge	Tuesday	—	—	—
Gripperrods Holdings	Monday	1.575	3.675	1.575
Gresham House Estate	Monday	1.4	2.25	1.4
G.T. Japan Investment Trust	Monday	1.0	3.0	0.5
Heath (Samuel) & Sons	Tuesday	—	17.5	—
Hewitt (J.) & Son (Fenton)	*Wednesday*	—	1.8	—
London Merchant Securities	Tuesday	0.3	0.6	0.36
Macallan-Glenlivet	Friday	2.25	4.2449	2.25
Manson Finance Trust	Thursday	1.5	2.0	1.5
Murray Glendevon Investment Trust	Monday	0.8	1.75	0.9
Ricardo Consulting Engineers	Tuesday	3.0	4.7	3.5
Scholes (George H.)	Wednesday	6.0	12.52	4.0
Sirdar	Wednesday	2.0	3.0	2.7
Trafford Park Estates	Wednesday	2.25	3.75	2.75
United Real Property Trust	*Wednesday*	1.25	4.75	1.25
Walker (James) G'smith & S'smith	Wednesday	1.0	3.0	1.0
Westminster & Country Properties	Friday	1.0	2.0	1.25
Westpool Investment Trust	Thursday	2.4	—	0.3
INTERIM DIVIDENDS				
Amalgamated Metal Corpn.	Wednesday	3.0	6.0	
Baird (Wm.)	Thursday	5.6	7.35	
Barrow Hepburn Group	Tuesday	0.8	1.4	
Barton Group	*Tuesday*	*1.4*	*1.0*	
Bemrose Corporation	Wednesday	—	1.5	
Berkeley Hambro Property	Thursday	3.0	3.6	
Berwick Timpo	Wednesday	2.0	4.0	
Bifurcated Engineering	*Wednesday*	1.15	0.35	
Blockleys	Wednesday	1.75	4.89	
Boddingtons Breweries	Thursday	1.4	1.6	
Booker McConnell	Thursday	1.25	1.875	
Bremel (C. D.)	Monday	2.05	3.5	
Breedon & Cloud Hill Lime Works	Friday	2.625	5.0	
British Aerospace	Tuesday	—	—	
British Mohair Spinners	Wednesday	0.96	2.81	
Bunzl Pulp & Paper	Wednesday	4.21	3.02	
Burmah Oil	*Wednesday*	1.5	5.0	
Cory (Horace)	Tuesday	0.8	0.7	

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
Croda International	Tuesday	1.5	1.6	
Danish Bacon	Wednesday	—	3.5	
Delta Group	Wednesday	1.82	1.82	
Eagle Star Holdings	Wednesday	5.0	5.5	
Early (Chas.) & Marriott (Witney)	Friday	0.315	1.485	
Expanded Metal	Tuesday	2.0	2.5	
Garnar Booth	Wednesday	2.4	3.85	
Guest Keen & Nettlefolds	Thursday	4.0	4.0	
Jones & Shipman	Wednesday	1.0	2.6	
KCA International	Thursday	2.5	2.75	
Keep Investment Trust	Friday	0.15	0.24	
Legal & General Group	Wednesday	3.0	6.0	
Liverpool Daily Post & Echo	*Wednesday*	*3.462*	*6.038*	
London & Holyrood Trust	Thursday	2.0	3.75	
London & Provincial Trust	Thursday	2.0	3.3	
Low & Bonar	Monday	5.0	9.5	
Matthews (Bernard)	Tuesday	2.0	2.375	
Merchants Trust	Monday	1.75	2.4	
Pearson Longman	Monday	3.75	4.605	
Pearson (S.) & Son	Monday	3.75	6.25	
Pentland Industries	Wednesday	0.35	1.3	
Perry (Harold) Motors	*Thursday*	1.5	*2.0*	
Rio Tinto-Zinc Corporation	Wednesday	5.5	10.5	
Sale Tilney	Thursday	3.5	4.0	
Spencer (George)	Tuesday	0.8	—	
Steetley	Thursday	4.0	6.5	
Travis & Arnold	Tuesday	0.84	3.3	
Tricentrol	Wednesday	2.8	5.6	
UDS Group	Thursday	2.6	3.61	
United States Debenture Group	Wednesday	2.0	3.58	
Wilkes (James)	*Thursday*	1.5	2.625	
Williams & James (Engineers)	Thursday	1.155	1.25	
Willis Faber	Tuesday	3.8	8.2	
INTERIM FIGURES				
Gates (Frank G.)	Friday			
Hnstair	Tuesday			
KCA Drilling Group	Tuesday			
Mackay (Hugh)	Wednesday			
Mersey Docks & Harbour	Wednesday			
Taverner Rutledge	Thursday			
Tollemache & Cobbold Breweries	Friday			

* Dividends shown net pence per share and adjusted for any intervening scrip issue.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Permodalan Nasional, the Malaysian equity institution, acquired control of Guthrie Corporation, the UK-based plantation group, on Monday morning in one of the fastest takeover bids seen in the City. Permodalan, which already owned a 25 per cent stake in Guthrie, bought a further 4.9 per cent in the market, the maximum permitted under Takeover Panel rules. Permodalan then approached Malaysian institutions for the 12 per cent of Guthrie held in South-East Asia and, by mid-morning, was able to announce that its stake had reached 42 per cent. It then made a 901p per share cash bid for the remaining shares and rapidly increased its stake to 50.4 per cent. Permodalan's bid for Guthrie follows an abortive attempt in March 1979 at 525p per share by Sime Darby. The successful raid and bid was prompted, said Permodalan, by its dissatisfaction with the change of tactics in Guthrie's trading policy.

Dana Corporation, the U.S. car manufacturer, which already owns 69 per cent of Brown Brothers Corporation, the loss-making motor accessory distributor, has approached the latter with an offer of 26p each for the outstanding shares.

Glynwed emerged on Thursday as a rival bidder for Durapipe International. The engineering concern made an agreed offer of 40p per share cash, valuing the plastic pipe manufacturer at £3.93m. This compares with Wavin Plastics' 27p per share offer which is being allowed to lapse on September 24.

Queensway Securities made an agreed partial bid for 65 per cent of Rowaland Gaunt, the Leeds-based ladies' clothing manufacturer. Queensway offered 25p per share cash and the directors of Gaunt and certain other shareholders, which together hold a total of 77.24 per cent of the company's equity, irrevocably accepted the offer in respect of 65 per cent of their holdings, amounting to 50.2 per cent of the total capital. The bid sparked considerable demand for Gaunt's shares which more than trebled to 80p.

Dealings in Provident Life were suspended on Thursday at 328p at the company's request; the company is in receipt of a 320p per share offer from Winterthur Swiss Insurance and has initiated further discussions.

Dealings in Caird (Dundee) were suspended on Tuesday at 13p, also at the company's request, pending the outcome of talks which may lead to an offer.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
	Prices in pence unless otherwise indicated.				
Durapipe	40*	39	25	3.93	Glynwed
Durapipe	27*	39	19	2.65	Wavin Plastics
Gaunt (Rowland)	25*§‡	80	22	0.05	Queensway Secs.
Guthrie	901*§	862	663	140.00	Permodalan Nsnl.
Harris & Sheldon	56*	48½	32††	22.26	Otis Elevtr. (UK)
Hirst & Mallinson	38	31	30	1.96	Assoc. Brit. Eng.
Law Land¶¶	121§	121	99	41.35	Churchbury Ests.
Letraset	113	143	87	48.32	Mills and Allen
Letraset	140*	143	140	59.86	Esselte AB.
Moss (Robert)	32*§	36	20	1.66	Orchard Holdings
Ofrex¶¶	190*	190	138	37.74	Gallaher
Paringa	80*	80	72	8.64	Apollo Int. Mines
Provident Life	320*§	328††	222	11.34	Winterthur Swiss
RCF	24*§	25	18	1.94	Bardsey
Ruo Estates	58*§	57	58	0.79	E. Produce and Laurie Plantatns.
Tricoville	107*	103	84½	4.38	Taurus Vhcl. Lsg.
Unochrome Inds.	25*§	24	15½	2.93	Eastern Produce
Viners	2*	9	15½††	0.12	Consortium
Westbrick Prods.	87*	92	85	3.73	Beazer (C. H.)

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on 11/9/81. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Austin (F.) Lytn.	July	1,866L	(664)L	—	(—)	—	(0.18)
Bertram Rubber	Mar	645	(577)	1.7	(1.6)	0.87	(0.8)
Clark (Matthew)	Apr	1,940	(2,660)	80.3	(19.8)	7.5	(7.5)
Deborah Services	Mar	1,570	(1,490)	14.3	(16.1)	4.24	(3.85)
FMC	May	999L	(2,540)	—	(16.5)	3.0	(6.0)
HME	Mar	23,230	(31,270)	8.9	(10.4)	11.0	(8.0)
Land Investors	Mar	2,470	(2,420)	1.2	(1.3)	1.0	(1.0)
Martin (R. P.)	June	2,170	(978)	30.4	(11.5)	8.25	(4.5)
Maynards	June	2,010	(2,170)	36.9	(43.2)	9.38	(8.75)
Melody Mills	Mar	1,310L	(390)	—	(13.7)	—	(1.0)
Sekers Intl.	Mar	798L	(401)	—	(4.1)	0.1	(2.3)
Stewart Plastics	Apr	2,560	(2,270)	14.6	(10.6)	2.91	(2.74)
Telefusion	Apr.	2,540	(978)	3.3	(2.1)	1.6	(1.5)

Rights Issues

F. Austin (Leyton)—Is raising £0.5m through a rights issue of 500,000 11¾ per cent partly convertible redeemable preference shares 1994 of £1 each on the basis of one for every 24 at par.

BICC—Is raising £60.5m by way of a rights issue on the basis of one for six at 225p per share.

John Brown—Is raising £24.9m by way of a one for three rights issue at 76p per share.

Viners—Is raising £1.45m by way of a rights issue on the basis of one unit of 50 new 1p shares at 3p per share plus £1 of 10 per cent convertible redeemable secured loan stock at par for every 10 ordinary 10p shares.

Offers for sale, placings and introductions

Marine Adventure Sailing Trust—Is coming to the market by way of a placing of 750,000 £1 shares at par.

Precious Metals Trust—Is coming to the market by way of an offer for subscription for 12m shares at 100p per share.

Walter Runciman—Is raising £1.26m by way of a placing of 1.1m shares at 115p per share.

Scrip Issue

Stewart Plastics—One for two.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Ayreshire Metal	June	226L	(695)	—	(2.0)
Banro Consldtd.	June	317	(601)	0.58	(0.58)
Beattie (James)	July	695	(1,020)	—	(—)
Bestobell	June	4,340	(4,050)	5.4	(5.15)
BICC	June	44,500	(33,700)	3.33	(3.03)
Biddle Holdings	June	962	(722)	2.4	(2.4)
Black & Edgntn.	June	554L	(265)L	—	(—)
Blackwood Hodge	June	1,900L	(3,820)	0.5	(1.0)
Bowater Corp.	June	43,000	(44,700)	4.25	(4.25)
Bridon	June	3,750	(5,680)	1.2	(2.3)
BTR	July	41,500	(34,600)	4.25	(3.5)
Camrex Holdings	June	187	(1,020)L	1.64	(—)
Carlton Inds.	June	2,940	(6,040)	2.5	(4.0)
Cattle's Hldgs.	June	134	(285)L	0.2	(—)
Collins (Wm.)	June	1,530	(175)	3.0	(0.5)
Costain Group	June	15,750	(15,250)	4.5	(4.0)
Dorada Group	June	777L	(85)	—	(2.1)
Edward Le Bas	June	100	(164)	—	(—)
EIS Group	June	1,350	(1,060)	1.07	(1.07)
European Ferries	June	2,140†L	(3,750)†	1.0	(1.73)
Fisher (James)	June	2,370	(2,150)	1.15	(1.0)
Friedland Doggart	June	702	(702)	1.95	(1.85)
Hpwrth. Ceramic	June	12,070	(15,010)	3.25	(2.25)
Heywood Wms.	June	32	(149)L¶	—	(—)
House of Fraser	Aug	1,290	(1,020)	2.0	(2.0)
Huntleigh Group	June	502	(522)	0.8	(0.7)
IMI	June	10,200	(17,100)	2.0	(2.0)
Law Land	June	697	(88)	0.65	(0.55)
Lead Industries	June	4,200	(8,800)	3.7	(3.7)
London Utd. Invs.	June	1,570	(1,340)	4.0	(4.0)
Lowland Drapery	June	124L	(113)L	—	(—)
Magnolia Mldngs.	June	423	(387)	0.6	(0.6)
Metal Closures	June	2,700	(2,560)	2.2	(2.2)
Midland Inds.	June	421	(751)	1.1	(1.1)
Montford Knit.	June	397L	(93)	1.0	(1.0)
Newbold & Burton	June	112	(142)	1.4	(1.4)
Nurdin & Peacock	July	3,289	(2,710)	1.13	(0.94)
Pentos	June	1,460L	(602)	—	(1.4)
Petrocon	June	403	(46)L	0.75	(—)
P & O Steam	June	729	(13,910)	3.0	(3.0)
Portals	June	5,450	(4,980)	5.25	(4.75)
Pritchard Servs.	June	2,650	(1,400)	1.5	(1.0)
Provident Fincl.	June	3,170	(2,840)	2.42	(2.42)
Prudential Corp.	June	23,200‡	(21,200)‡	4.5	(4.0)
Reckitt & Colman	July	29,070	(22,760)	3.8	(3.5)
Robinson Bros.	July	480	(435)	—	(—)
Royal Worcester	July	1,020	(1,490)	2.9	(2.9)
Sedgwick Group	June	29,100	(22,900)	2.25	(2.0)
Sharna Ware	June	37	(97)	1.4	(1.4)
Standard Chrtrd.	June	139,900	(121,300)	13.8	(12.0)
Thurgar Bardex	June	104	(233)	0.3	(0.3)
Tilling (Thomas)	June	31,700	(30,100)	3.5	(3.5)
Turner & Newall	June	8,500	(12,200)	3.0	(3.0)
United Biscuits	July	24,100	(16,100)	2.25	(1.87)
Wilson Connolly	June	4,130	(3,060)	1.25	(1.0)
Yorkshire Chems.	June	1,590L	(408)	—	(—)
Yule Catto	June	3,480	(1,190)	1.6	(0.5)

(Figures in parentheses are for corresponding period.)

* Dividends shown net except where otherwise stated. † Operating profits/loss figure. ‡ Net profits. ¶ For previous eight months. L Loss.

BASE LENDING RATES

A.B.N. Bank	12 %	Grindlays Bank	‡13 %
Allied Irish Bank	12 %	■ Guinness Mahon	12 %
American Express Bk.	12 %	■ Hambros Bank	12 %
Amro Bank	12 %	Heritable & Gen. Trust	12 %
Henry Ansbacher	12 %	■ Hill Samuel	§12 %
AP Bank Ltd.	12 %	C. Hoare & Co.	†12 %
■ Arbuthnot Latham	12 %	Hongkong & Shanghai	12 %
Associates Cap. Corp.	12 %	Knowsley & Co. Ltd.	12½%
Banco de Bilbao	12 %	Langris Trust Ltd.	12 %
BCCI	12 %	Lloyds Bank	12 %
Bank of Cyprus	12 %	Mallinhall Limited	12 %
Bank of N.S.W.	12 %	Edward Manson & Co.	13 %
Banque Belge Ltd.	12 %	Midland Bank	12 %
Banque du Rhone et de la Tamise S.A.	12½%	■ Samuel Montagu	12 %
Barclays Bank	12 %	■ Morgan Grenfell	13 %
Beneficial Trust Ltd.	13 %	National Westminster	12 %
Bremar Holdings Ltd.	13 %	Norwich General Trust	12 %
Bristol & West Invests.	13 %	P. S. Refson & Co.	12 %
Brit. Bank of Mid. East	12 %	Slavenburg's Bank	12 %
■ Brown Shipley	12½%	E. S. Schwab	13 %
Canada Perm't Trust	13 %	Standard Chartered	‖12 %
Cayzer Ltd.	12 %	Trade Dev. Bank	12 %
Cedar Holdings	12 %	Trustee Savings Bank	12 %
■ Charterhouse Japhet	13 %	TCB Ltd.	12 %
Choulartons	12 %	United Bank of Kuwait	12 %
Citibank Savings	¶13 %	Whiteaway Laidlaw	12½%
Clydesdale Bank	12 %	Williams & Glyn's	12 %
C. E. Coates	12 %	Wintrust Secs. Ltd.	12 %
Consolidated Credits	12 %	Yorkshire Bank	12 %
Co-operative Bank	*12 %		
Corinthian Secs.	12 %		
The Cyprus Popular Bk.	12 %		
Duncan Lawrie	12 %		
Eagil Trust	12 %		
E. T. Trust Limited	12 %		
First Nat. Fin. Corp.	15 %		
First Nat. Secs. Ltd.	15 %		
Robert Fraser	12 %		
Antony Gibbs	12 %		

■ Members of the Accepting Houses Committee.

* 7-day deposits 9%, 1-month 9¼%. Short term £4,000/12 months 11.85%.

† 7-day deposits on sums of £10,000 and under 9%, up to £50,000 10% and over £50,000 11%.

‡ Call deposits £1,000 and over 9%.

§ Demand deposits 9½%.

‖ 21-day deposits over £1,000 10½%.

¶ Mortgage base rate.

Myson plunges deeper into red midterm

MYSON GROUP, the ventilating and heating concern which was taken over in June by Moonrick, the name taken by a syndicate of nine institutions backing two former GEC executives, has incurred an increased pre-tax loss of £1.68m, against £236,000, for the first half of 1981. And, with exceptional and extraordinary debits this time taking £4.5m, the attributable deficit totalled £6.19m.

These charges included the costs of the capital and borrowing reorganisation last May, the acquisition of the company and the termination of Mr R. E. Myson's contract of employment.

Much the larger part, however, came from provisions to coveer stocks now classified as slow moving and obsolete, and the liabilities the group would expect to face on the liquidation of its 80 per cent owned French radiator manufacturing subsidiary, Soledec, which made a £334,000 loss in the half year.

Soledec has decided that it can no longer trade without substantially increased financial support and radiator orders diverted from the UK, and the Myson board has decided that such further support cannot be provided.

In addition, the directors report that in the group's 1980 accounts loans were understated by £581,000. Therefore, losses were understated and reserves overstated by that amount.

At the time of the institutional takeover, Myson's directors said that losses were continuing in the current year and trading was likely to be difficult. They warned that any dividend payment on ordinary shares was unlikely to be more than nominal.

The interim dividend has now been omitted. Last year's adjusted interim of 0.25p net was the sole payment made in 1980, when taxable losses amounted to £2.97m and at the attributable level the group finished £6.07m in the red.

The directors now say that, despite the very difficult trading conditions, group products are maintaining their market position and in many cases improving their margins. More redundancies have had to be made since the beginning of the year, which are further reducing costs. Cash flow and the borrowing position have improved, they add.

For the first six months, sales fell by £6.36m to £22.93m and ACT written off totalled £11,000.

THE TRING HALL USM INDEX

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RESIDENTIAL PROPERTY

WORLD STOCK MARKETS

Early halt to Wall St rally

A CONTINUATION of Thursday's rally failed on Wall Street yesterday, when analysts said Stock Markets needed some positive economic news.

By 1 pm the Dow Jones Industrial Average was off 0.09 to 862.35, reducing its rise on the holiday-shortened week to 0.67. The NYSE All Common Index, at $69.52, rose 3 cents on the day but was 3 cents easier on the week. Trading volume decreased 4.6m shares to 30m, compared with 1 pm Thursday.

One analyst said investors are encouraged by Washington's acknowledgement that Federal spending must be cut further in order to hold the Budget deficit in line. "This change in Washington's attitude may keep the Stock Market up for a little bit," he said.

ATT shed $⅜ to $55¼ after a Federal Judge refused to dismiss the Justice Department's anti-trust lawsuit against the company.

Texas International declined $1⅞ to $26¼ — it reported mechanical difficulties in a wildcat well in Louisiana.

Fred S. James came back $2 to $27¾ after climbing $4 Thursday—it could not explain the activity in its stock.

Most issues showed only small price changes.

On the active list, Evans Products lost $½ to $20¼, Ramada Inns $⅛ to $6 and Cenco, the subject of a takeover bid, $⅛ to $17⅞.

Stocks which were active and higher included IBM, $¼ to $55¼, Florida Power and Light, $⅞ to $27⅛, General Mills, $½ to $34⅛, Sony $⅛ to $18¼ and General Electric, $¼ to $53⅞.

THE AMERICAN SE Market Value Index rose 0.74 to 327.30, reducing its fall on the week to 9.98. Volume 3.12m (3.92m) shares.

Supron Energy advanced $2⅛ to $32¼ in active trading—it sold one of its gold mines.

The American Stock Exchange said its Board approved a pilot programme for gold coin trading through a new subsidiary, the American Gold Coin Exchange Inc.

Canada

Prices continued Thursday's strong performance, although slightly below the best, with the Toronto Composite Index up 10.1 at 2,077.4 at midday, after 2,089.9 in the first half-hour of trading.

Analysts said the firming was due to the lowering of interest rates on Thursday by Canada's Central Bank plus the strong rally on New York.

Ten of the 14 stock groups posted advances, led by Real Estates and Constructions.

The Oil and Gas Index rose 11.9 to 4,386.8, Metals and Minerals 9.0 to 2,063.2, Banks 1.83 to 346.04 and Papers 0.82 to 225.61.

Australia

Buyers moved cautiously back into markets, picking up several issues at 1981 lows, following a firming Gold price, a Wall Street rally and hopes for Western Mining's Canning Basin oil find. The All Ordinaries Index rose above the 600 mark.

WMC, which reported oil shows at its Acacia No 1 well on Tuesday, finished 23 cents higher at A$4.98.

Oils attracted much of the overseas money as the Oil Index rose 11.5 to 647.7 after falling over 40 in the previous four sessions.

Vamgas, now testing the Canning Basin well, Blina No 1, led Oils with a 30 cents rise to A$10.20, while Woodside firmed 2 cents to A$1.39, Beach 30 cents to A$2.30 and Santos 14 cents to A$5.14.

But Weeks Petroleum were 40 cents down at A$4.80 and Moonie 10 cents at A$3.

Golds strengthened on the metal's firmer International price. Central Norseman moved up 34 cents to A$8.20, GMK 40 cents to A$8.00 and Poseidon 25 cents to A$3.95.

Tokyo

The market suffered another setback in thin trading—300m (320m) shares—as steady selling by foreign investors continued. The Nikkei Dow Jones Index finished another 39.82 down at 7,543.45 after falling 73.14.

Brokers said foreign investors have apparently been shifting funds to the U.S. because of significantly higher interest rates there. Foreigners have also been taking profits, especially off "Quality" shares.

In the midst of the general decline, however, Sony rose Y220 to 4,380 and TDK Y200 to 4,200, attributed mainly to speculation that their earnings may prove to be better than now generally expected.

Hong Kong

Prices scored gains in moderate trading, the market giving its best performance in nearly a month despite some afternoon selling. The Hang Seng Index finished up 17.97 at 1,533.85.

Brokers continued to call the buying the result of technical factors, with evidence of some bargain hunting among "Second" and "Third" line issues.

Singapore

The Stock Market closed lower on some selling in moderate selective trading.

Straits Trading shed 60 cents to S$6.80 after reporting group profit, after tax, down 23 per cent in the first half and predicting 1981 net would fall below the previous year's profit.

UMW lost 16 cents to S$4.20—it said it will have a 52 per cent holding in the new Toyota franchise setup in Malaysia but it did not predict what impact the new arrangement would have on earnings.

Paris

Share prices eased prompted by the suspension of companies due for Nationalisation. Turnover was well down and traditional pre-weekend profit-taking also contributed to the decline, which hit most sectors.

In Oils, Elf lost Frs 14 to 820, CFP Frs 6 to 123 and Esso Frs 8.5 to 198.5.

Banks, Foods, Stores, Mechanical Engineering and Electricals were all lower, but Holding Companies closed mixed.

In Foreign shares U.S., West German and Japanese were mixed, Dutch stocks fell but Golds and Copper Minings were steady.

Germany

Share prices closed mixed after quiet trading with brokers unable to supply concrete factors for markets performance.

They noted that the generally favourable trend in West German Bond prices failed to supply the usually favourable impulse for German stocks.

VW fell DM 4 to 138.50, reflecting a newsletter about a poor second quarter. But Daimler rose DM 3 to 338.50.

Leading Chemicals finished higher, Banks and Stores mixed, while Steels were lower.

Domestic Bonds again went ahead strongly, with keen demand for Public Authority issues which gained up to DM 0.60. The Bundesbank sold DM 46.3m of stock.

Switzerland

Domestic shares firmed over a broad front, stimulated by the overnight rise on Wall Street and an easier dollar. Leading equities were actively sought with interest centred on Banks.

Unofficially traded Foreign Bonds were selectively firmer.

Domestic Bonds held generally steady following the recent sharp fall, helped by lower Euro-franc rates.

Milan

Mixed in thin and cautious trading. Institutional buying firmed prices at the opening but later selling left many issues lower on balance.

Mediobanca steadied in after-hours trading on news of its one-for-three bonus issue and higher profits.

Closing prices for North America were not available for this edition.

Indices

NEW YORK —DOW JONES

	Sept. 10	Sept. 9	Sept. 8	Sept. 4	Sept. 3	Sept. 2	1981 High	1981 Low	Since Cm'pil't' High	Since Cm'pil't' Low
●Industr'ls	862.44	855.88	851.12	861.68	867.01	884.23	1024.05 (27/4)	851.12 (8/9)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me Bnds.	57.28	57.26	57.55	57.05	57.52	57.52	65.78 (15/1)	57.08 (4/9)	—	—
Transport.	357.27	355.63	351.55	358.66	365.11	376.01	447.58 (16/4)	351.55 (8/9)	447.38 (16/4/81)	12.23 (8/7/32)
Utilities	105.77	104.30	104.58	105.44	108.20	108.68	117.81 (6/1)	103.99 (6/5)	163.32 (20/4/69)	10.5 (28/4/42)
TradingVol 000's	47,500	44,220	47,340	42,760	41,750	37,570	—	—	—	—

●Day's high 868.82 low 855.12.

Ind. div. yield %	Aug. 28	Aug. 21	Aug. 14	Year ago (approx
	6.20	6.01	5.90	5.59

STANDARD AND POORS

	Sept. 10	Sept. 9	Sept. 8	Sept. 4	Sept. 3	Sept. 2	1981 High	1981 Low	SinceCmpil't'n High	SinceCmpil't'n Low
Indust'ls	135.15	133.18	132.71	135.86	136.28	138.58	157.02 (6/1)	132.71 (8/9)	160.96 (28/11/80)	3.52 (30/6/32)
Composite	120.14	118.40	117.98	120.07	121.24	123.48	138.12 (6/1)	117.98 (8/9)	140.52 (28/11/80)	4.40 (1/6/32)

	Sept. 9	Sept. 2	Aug. 26	Year ago (approx
Ind. div. yield %	5.36	5.14	5.07	4.59
Ind. P/E Ratio	8.13	8.32	8.94	8.62
Long Gov. Bond yield	14.53	14.36	14.25	11.03

NY. S.E. ALL COMMON

Sept. 10	Sept. 9	Sept. 8	Sept. 4	1981 High	1981 Low
69.49	68.48	68.24	69.55	79.14 (6/1)	68.24 (8/9)

Rises and Falls	Sept. 10	Sept. 9	Sept. 8
Issues Traded	1,897	1,844	1,892
Rises	1,141	808	204
Falls	407	661	1,429
Unchanged	349	375	259
New Highs	3	1	2
New Lows	104	206	317

MONTREAL	Sept. 10	Sept. 9	Sept. 8	Sept. 4	1981 High	1981 Low
Industrials	356.67	358.36	366.35	372.81	408.66 (27/8)	358.26 (20/2)
Combined	351.47	323.69	336.09	345.87	376.28 (15/8)	329.69 (8/8)
TORONTO Composite	2067.3	2048.5	2072.1	2141.6	2676.6 (10/4)	2046.5 (9/9)

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day
Exxon	267,500	32¾	+⅞
Northwest Inds.	341,900	53½	+1½
Cenco	566,300	18	+⅞
Zapata	531,200	35	+1¾
Contl. Air Lines	521,400	9	—
Sony	501,400	18⅛	+⅛
Texas Intl.	467,000	27⅜	−2⅜
IBM	433,000	54⅞	+⅜
Mobil	423,500	27⅝	+⅜
Rexnord	401,300	15⅜	—

Way clear for Tokyo gold futures market

By Richard C. Hanson in Tokyo

THE JAPANESE Government yesterday cleared the way for the establishing of a gold futures market in Tokyo, which may be open by the end of the year.

Tokyo would become the second gold futures market in Asia, after Hong Kong. The market would enable owners of gold to hedge their risks. Gold has become an increasingly popular form of investment in Japan.

Details of the market's working have yet to be worked out, according to an official of the Ministry of International Trade and Industry (MITI), which has responsibility for the field.

Gold is being added to the list of seven other commodities allowed to be traded in a futures market in Tokyo, consisting mainly of farm and textile items. The market's location would be the Tokyo Textile Exchange.

Though membership requirements have not been established, MITI said it would probably be possible for foreign companies operating in Japan to participate.

● A long-term foreign exchange market with contracts of up to five years has been developing in Tokyo in recent months under the amended foreign exchange control law which came into force last December, short-term money houses said.

Thirty contracts totalling $50m, mainly for two to three years, were concluded in August and trading volume is on the increase this month.

One contract in August was for five years at an exchange rate of Y160 to the dollar, the houses said. Spot markets are quoting about Y230 to the dollar.

Property joint ventures boost Wheelock Marden

BY OUR HONG KONG CORRESPONDENT

WHEELOCK MARDEN and Co, the Hong Kong trading house, has announced higher net profits of HK$237.35m (U.S.$ 40m) after tax and minorities for the six months to June 30. Direct comparison with the previous interim period is impossible, because of a shift in the fiscal year-end from March to December. Profits for the six months are, however, as much as 54 per cent higher than the HK$ 153.89m reported for the nine months to last December 31. The increased profitability appears to have resulted mainly from the success of various property development joint-ventures, though there is no full breakdown of contribution from associates.

Wheelock Marden and subsidiaries earned profits of HK$ 238.37m, before tax and minorities, against HK$ 288.3m in the preceding nine months. Meanwhile, the group's share of profit from associates, also before tax and minorities, increased to HK$ 340.66m from the nine-month gross profit of HK$49.74m.

The growth in associates' profitability is in part the result of the reduction in the group's holding in Allied Investments, the investment holding company, earlier this year, which swung it from subsidiary status to that of associate. Other associates, including Beaufort Holdings and Cross Harbour Tunnel have also announced increased earnings.

Extraordinary profits of HK$48.51m were realised on sales of properties and vessels, compared with HK$167.55m. Total net profits, including extraordinaries, amounted to HK$287.49m, compared with HK$328.13m.

An interim dividend of 12 cents per A share and 1.2 cents per B share has been recommended on the capital increased by this year's one-for-10 scrip issue. The respective interim dividends for the previous nine months were 8 cents and 0.8 cents, before adjustment.

Mr John Marden, the chairman, attributed the substantial increase in profits to an overall improvement in performance by subsidiaries and associates and to increased shipping earnings in both actual and Hong Kong dollar terms.

Allis-Chalmers to cut dividend and production

By Ian Hargreaves in New York

ALLIS-CHALMERS, the large U.S. farm and process equipment company which like its competitors is being buffeted by high interest rates and weak demand for its products, is to halve its shareholders' quarterly dividend from 50 cents a share, cut back production and sell parts of its business.

Mr David Scott, chairman, said these actions were necessary to protect the company's balance sheet. Deteriorating finances recently led to a cut in the company's debt rating on Wall Street.

Mr Scott said the aim was to bring dealer inventories back into line with the real pace of retail sales. This would mean cutting back to the level at the beginning of this year, when the industry thought it was about to emerge from a slump into a strong year. Inventories would be cut by $75m, from $383m at the end of June, of which $60m would stem from production cuts.

Mr Scott said the company was also "actively pursuing the sale of certain plants and business units which do not have a place in the future of Allis-Chalmers." But he did not say which plants.

In the first half of this year, Allis-Chalmers earned $5.4m on sales of 1.1bn.

Profits slide at Ahold

BY CHARLES BATCHELOR IN AMSTERDAM

FIERCE competition leading to price cutting among Dutch food retailers has left Ahold with severely depressed profits for the first 28 weeks of 1981.

The company, Holland's biggest supermarket chain, reports a net return of Fl 21.2m ($8m) for the period, a decline of a fifth. Sales rose by 16 per cent to Fl 3.8bn, and Ahold claims to have improved its market share.

Profit per share fell to Fl 7.11 from Fl 8.21 on capital which was 10 per cent greater at Fl 59.4m.

The company expects to make some recovery in the second half-year, though the overall result will still fall short of 1980's. Net profit last year rose 2 per cent to Fl 52m.

Operating profit for the first 28 weeks fell 26 per cent to Fl 33.9m and amounted to 0.95 per cent of sales compared with 1.5 per cent.

Turnover of Ahold's Miro Hypermarket chain rose strongly, indicating that recent restructuring had been largely successful, though the costs of this operation were above budget.

Ahold's turnover in the Netherlands rose nearly 11 per cent while foreign sales—in the U.S. and Spain—rose 37 per cent.

Dutch engineer cuts loss

BY OUR AMSTERDAM CORRESPONDENT

VMF-STORK, the troubled Dutch engineering group, reduced its loss in the first half of 1981 and expects to further improve its results in the second half of the year.

The company has trimmed back the first half net deficit to Fl 8.1m ($3m) from the Fl 14m loss in the same 1980 period, despite a move deeper into the red by the diesel engine division.

Stork Werkspoor Diesel made a loss of Fl 3.5m compared with Fl 2.5m in 1980. VMF owns just under half of this company after the government stepped in several years ago to assume responsibility for most of the losses.

At the operating level VMF made a group profit of Fl 7.9m compared with Fl 0.2m last year. Net interest charges fell to Fl 4.5m from Fl 5.3m but tax increased to Fl 6.2m from Fl 5.6m.

The company booked new orders worth Fl 1.13bn in the first half, practically unchanged on the previous year.

Peugeot pulls out of Argentinian car concern

By David White in Paris

THE PEUGEOT motor group is pulling out of a car assembly joint-venture with Fiat in Argentina less than a year after it was set up.

The French company said yesterday it had decided to give up its 50 per cent shareholding in the venture, Sevel Argentina, but that Peugeot cars would continue to be made and sold in Argentina under a licensing arrangement with the Italian partner.

Peugeot's new 505 saloon was launched on the Argentinian market only a few days ago.

The decision marks the end of the Peugeot group's direct motor manufacturing interests in Argentina, following the halting of Citroen car production there in 1979. Citroen has since been importing cars into Argentina but has run into problems as a result of successive devaluations of the peso.

Peugeot's withdrawal from Sevel had been on the cards for several months in view of mounting losses.

Closure

The move follows a series of cuts at Peugeot subsidiaries, including closure of the Talbot plant at Linwood in Scotland and a Citroen plant at Forest in Belgium, as a result of group losses which amounted to FFr 1.5bn ($260m) in 1980.

The group has said capital spending will also be cut this year. It recently announced it was re-examining a plan to build a foundry employing 1,200, in conjunction with the state-owned Renault group, in the depressed Lorraine region of eastern France.

The Argentinian joint-venture was set up last October by a merger between Peugeot's offshoot Safrar and Fiat Argentina, to produce both Peugeot and Fiat models for the local market.

In the first 11 months Sevel produced about 55,000 Fiat cars and 45,000 Peugeots.

The French company will continue to send parts but Fiat, which is strongly rooted in South America, will take full charge of the operation.

Endeavour bid falls foul of authorities

BY GEORGE MILLING-STANLEY

AUSTRALIA'S company regulatory authority, the National Companies and Securities Commission, said yesterday that the "on-again, off-again" bid by Mr Alan Bond's Endeavour Resources for Northern Mining was unacceptable.

The commission added that it will take the appropriate court action to ensure that Northern's shareholders are not put at a disadvantage by Endeavour's actions.

Northern, the main attraction of which is a 5 per cent stake in the Ashton diamond joint-venture in Western Australia, has already announced that it is taking legal action to try to force Endeavour to buy the 60 per cent of the company it does not already own on the same terms at which it acquired the first 40 per cent.

Endeavour last week withdrew its offer, which values the whole of Northern at just over A$50m (U.S.$57m), saying that it had not been aware that the joint-venture's title to part of the Ashton deposit had been contested by the Perth-based Afro-West Mining and Exploration.

The bid was later reinstated by Endeavour on condition that any legal action arising out of the dispute was not damaging to the joint-venture partners.

The commission objects to the change in the conditions attached to the bid, which is in contravention of the national takeover code introduced on July 1.

Yesterday's announcement from the commission looks likely to lead to the first test in the courts of the new legislation.

The Rio Tinto-Zinc group's Australian subsidiary CRA, which is the leader of the joint-venture with 56.8 per cent, has rejected Afro-West's claim and hopes to have the dispute settled by the end of this year.

The remaining 38.2 per cent of the venture is held by Ashton Mining.

Mediobanca surges ahead

BY JAMES BUXTON IN ROME

MEDIOBANCA, the Italian merchant bank which masterminds most major takeover and capital-raising operation in the country, lifted its profits last fiscal year by 145 per cent.

For the year to June, 1981, it made profits of L86.5bn ($68m) after provision of L52.3bn, against L35.3bn profit after provisions of L36bn

The bank, which is 56 per cent owned by three of Italy's biggest commercial banks, is to raise its capital from L102bn to L170bn over the next 18 months. This will be achieved by a one-for-three scrip issue and the issue of L102bn worth of convertible bonds. The first third of these bonds—worth some L34bn—will be convertible after 18 months.

The bank is also to issue, over the next four years, bonds to a value of L300bn. These will be convertible into the shares of other companies and should thus form the way in which Mediobanca divests itself of its substantial minority holdings in a number of Italian companies.

Arab banks eye Visa link

BY ALAN FRIEDMAN

THE 20-country Union of Arab Banks plans to enter the worldwide travellers cheque market, which last year accounted for sales of about $35bn. The union has approached Visa International, the U.S.-based payments systems group, to arrange a licensing and marketing deal.

At a meeting in Tangiers last week, the union decided to set up a uniform payment system concern, owned by the 127 commercial and central bank members. The new company is set to offer travellers cheques denominated in U.S. dollars and sterling.

Eventually, the bankers hope to offer, in addition, cheques in an Arab currency, perhaps the Kuwaiti dinar.

Visa said in London yesterday that it hoped to help the Arab banks to penetrate the Middle East travellers cheque market. Visa estimated the market at around $4bn a year, and said it aimed to capture $1bn of the market in the first year.

AT & T anti-trust case to continue

By Our New York Staff

AMERICAN TELEPHONE and Telegraph yesterday lost its bid to have the federal Government's huge anti-trust case against it dismissed. The presiding judge, Mr Harold Greene, said that the Government's evidence demonstrated the telephone utility had violated anti-trust laws in a number of ways over a long period of time.

AT & T had tried to get the six-year-old case dismissed after the Government finished presenting its evidence last month on the grounds that it was "an outrage." The judge's rebuff means that AT & T will have to proceed with its defence.

However, the fate of the case will probably be decided in Congress rather than the court room. The Reagan Administration has said that it is willing to drop the case provided that legislation currently being put together in Congress on deregulation of the communications business meets its goals.

This legislation would open up the market and allow free competition in the communications, data processing and equipment manufacturing fields.

The Administration asked Mr Greene to halt the case in July because the proceedings would probably be pre-empted by new legislation but he declined.

Woolworths Truworths up

By Jim Jones in Johannesburg

WOOLWORTHS TRUWORTHS, the South African clothing and fashion retail chain increased pre-tax profit to R46.86m ($49m) in the thirteen months to June 30, 1981, from R30.51m in the year to May 31, 1980. Turnover was R272.9m against R193.6m.

On June 30, Woolworths merged with Truworths, the income of which has not been consolidated. Truworth's turnover was R155m up by 36 per cent from a year earlier. It after-tax profit rose by 106 per cent to R11m.

The financial year end of Woolworths, which is unrelated to the U.S. company, has been changed from May 31 to June 30 because of the merger.

A total dividend of 39 cents a share has been declared from earnings of 91.4 cents a share, compared with 28 cents from 62.5 cents a share a year earlier.

COMMODITIES/REVIEW OF THE WEEK

Coffee pact hopes boost prices higher

BY OUR COMMODITIES STAFF

COFFEE PRICES advanced strongly again this week, buoyed up by hopes that the current talks in London between exporting and importing countries would lead to a new agreement on quotas and prices for the 1981/82 season. The November position on the London Robusta futures market closed last night £76 up on the week at £987.5 a tonne.

The talks opened on a constructive note, with Brazil taking the unusual step at the opening session of saying it would be prepared to accept a quota of 16m bags (of 60 kilos each) if a global quota of 55m bags was agreed.

However a proposal by producers continue seeking a rise of 10 cents in Agreement's price range with a minimum level of 125 cents and ceiling of 164 cents brought a lukewarm response from consumers. The U.S. countered with a suggestion that the price range should be lowered to between 100 and 135 cents to bring it closer to present market price levels of 105 cents.

There are already doubts whether the talks will be finalised, as scheduled by the end of next week. The main problem of dividing up quota shares between producing countries has yet to be tackled seriously.

World sugar values rallied this week after a long period of decline. The London daily price gained £9 to £162 a tonne. Aiding the uptrend were persistent rumours that the Soviet Union had bought 100,000 tonnes recently.

The rise in gold to $450 a troy ounce helped boost other metals, particularly free market platinum and silver. Platinum jumped by £12.75 to £250.90 a troy ounce. The bullion spot quotation for silver was 61.9p higher on the week at 601.05p a troy ounce yesterday's morning "fixing" and values moved further ahead in the afternoon.

Copper followed the uptrend in gold too. Cash wirebars gained £22.75 to £953.25 a tonne and significantly the recent downtrend in New York values was reversed. Hopes of lower U.S. interest rates boosted market sentiment.

A bid in Peru to stage a national miner's strike in sympathy with the workers at Southern Peru mines and smelter, who have been on strike for several weeks, met with mixed response. However, Southern Peru workers appear determined to stay out until 108 dismissed men are reinstated. Meanwhile the threat of strike looms over Noranda's big Horne copper smelter in Quebec, where labour contracts expired on August 31. Talks, however, are continuing with the help of mediation services.

Market rumours of explosions at tin smelter potlines in Penang, and the possibility of Malaysian Mining Corporation cutting deliveries, were unconfirmed yesterday. As a result they had only a marginal effect on prices.

Lead and zinc values, however, rose strongly again. Cash lead was £29 up on the week at £449.5 a tonne, boosted by rumours of renewed Russian buying and a possible U.S. price rise.

Cash zinc ended the week £23 higher at £542.5 a tonne. The continuing strike at Tara Mines in Ireland gives a firm undertone, but the higher levels attracted profit-taking. Selling was also encouraged by news that the A. M. & S. (Europe) smelter at Avonmouth hopes to resume zinc and lead bullion producing on Monday. Output was halted on August 11 by failure of the smelter's main blower.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1981 High	1981 Low
METALS					
Aluminium	£810/815	—	£810/815	£810/815	£780/70
Free Markets c.i.f.	$1200/1250	—	$1720/740	$1600/1630	$1155/165
Antimony					
Free Market 99.6%	$2700/2800	—	$3,225/275	$3200/3280	$2700/800
Copper Cash Wire Bars	£953.25	+22.75	£877	£1,023.5	£755
3 months Do. Do.	£982.75	+25	£904.5	£1,052.75	£777.5
Cash Cathodes	£952	+23.5	£849	£1,025	£748.5
3 months Do.	£977.5	+25.5	£877	£1,046	£765.5
Gold per oz.	$450	[illegible]	[illegible]	[illegible]	[illegible]
Lead Cash	£449.5	+29	[illegible]	[illegible]	[illegible]
3 months	£457.75	+31	[illegible]	[illegible]	[illegible]
Nickel	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Free Market c.i.f. lb	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Platinum per oz.	£260	[illegible]	[illegible]	[illegible]	[illegible]
Free Market per oz.	£250.90	+12.75	[illegible]	[illegible]	£185.60
Quicksilver (76lbs.)	$425/430	[illegible]	[illegible]	[illegible]	$355/365
Silver per oz.	601.05p	+61.9	[illegible]	[illegible]	[illegible]
3 months per oz.	619.45p	+64.1	[illegible]	[illegible]	[illegible]
Tin cash	£8145	+10	[illegible]	[illegible]	[illegible]
3 months	£8285	+10	[illegible]	[illegible]	[illegible]
Tungsten Ind.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Wolfram (22.04 lb)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Zinc cash	£542.5	+23	[illegible]	[illegible]	[illegible]
3 months	£555.5	+22	[illegible]	[illegible]	[illegible]
Producers	$1000	[illegible]	[illegible]	[illegible]	[illegible]
GRAINS					
Barley Futures	£101.70x	−0.1	[illegible]	[illegible]	[illegible]
Maize French	£126.75	+0.25	[illegible]	[illegible]	[illegible]
WHEAT Futures	£108.80x	[illegible]	[illegible]	[illegible]	[illegible]
Hard Winter Wheat	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SPICES					
Cloves	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Pepper, white	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
black	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
OILS					
Coconut (Philippines)	$545y	[illegible]	[illegible]	[illegible]	[illegible]
Groundnut	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Linseed, Crude	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Palm Malayan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SEEDS					
Copra (Philippines)	$355	[illegible]	[illegible]	[illegible]	[illegible]
Soyabeans (U.S.)	$279.5	−5.5	[illegible]	[illegible]	[illegible]
OTHER COMMODITIES					
Cocoa Shipment	£1,402	+16	[illegible]	[illegible]	[illegible]
Cocoa Futures Dec.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Coffee Futures Nov.	£987.5	+76	[illegible]	[illegible]	[illegible]
Cotton Index	75.50c	[illegible]	[illegible]	[illegible]	[illegible]
Des Coconut	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gas Oil Fut. Oct.	$305.5	+3	[illegible]	[illegible]	[illegible]
Jute UA BWC grade	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rubber kilo	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sago Pear	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sisal No. 1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sugar (Raw)	£162	+9	[illegible]	[illegible]	[illegible]
Tapioca No. 1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tea (quality) kilo	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
(plain) kilo	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Wooltops, 64s Warp	396p kilo	[illegible]	[illegible]	[illegible]	[illegible]

† Unquoted. (g) Madagascar. (x) Nov. (y) Sept/Oct. (u) Nov-Dec. (v) Oct. * Nominal. § Ghana cocoa.

BASE METALS

Base-metal prices made progress on the London Metal Exchange led by Copper which moved up to £993.5 reflecting good demand in New York, the absence of sellers and currency considerations. Lead rose £459.5, Zinc to £558.5, and Nickel to £3,295. Tin was featured by the narrowing of the contango in the early afternoon on rumours that a number of Malaysian smelters had been damaged. These rumours narrowed the spread to around £100 before the latter closed about £130. Three months closed the late kerb at £8,290.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	954-.5	+11.2	953-.5	+5.75
3 mths	984-.5	+10.2	982.5-3	+4
Settlem't	954.5	+11	—	......
Cathodes				
Cash	951-3	+11.5	951-3	+7.5
3 months	977-.5	+10	977-8	+5
Settlem't	953	+12	—	......
U.S. Prod	—		*82.5-9.25	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £954, higher grade, three months £981, 80.5, 80, 80.5, 81, 82, 82.5, 83, 84. Cathodes, standard, three months £978, 77.5. Kerb: Wirebars, higher grade, three months £983, 82, 83, 83.5. Afternoon: Wirebars, higher grade, three months £981, 82, 83, 82, 82.5. Standard, cathodes, three months £977. Kerbs: Wirebars, higher grade, three months £985, 86, 87, 88, 89, 90, 91, 92, 93, 92, 93. Turnover: 16,975 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	8170-80	—50	8140-50	—10
3 months	8280-90	+20	8280-90	+22.5
Settlem't	8180	+50	—	......
Standard				
Cash	8170-80	+30	8140-50	—10
3 months	8280-90	+20	8280-90	+22.5
Settlem't	8180	+50	—	......
Straits E.	†$35.17	—0.08	—	......
New York	—	......		

Tin—Morning: Standard, cash £81.75, three months £8,300, 8,310, 8,300, 8,290. Kerb: Standard, three months £8,280, 70. Afternoon: Standard, three months £8,270, 80, 75, 70, 75, 80. Kerb: Standard, three months £8,290. Turnover: 825 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	446-7	—3	449-50	+5
3 months	454-5	—3	457.5-8	+5
Settlem't	447	—5	—	......
U.S. Spot	—	......	*48-4	......

Lead—Morning: Three months £469, 60, 59, 57, 56, 55, 54.5. Kerb: Three months £455, 56, 55.5, 56. Afternoon: Three months £457, 58, 59, 58.5, 59, 60, 59, 58.5, 58, 57.5, 58. Kerb: Cash £450, three months £459, 58, 59, 59.5, 59. Turnover: 13,375 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	540-1	—13	542-3	—1.5
3 months	555-.5	—13.2	555-6	—1
Settlement	541	—13.5	—	......
Primw'ts	—	—	*49.75-50	......

Zinc—Morning: Three months £559, 58.5, 58, 56, 55.5, 55, 54, 54.5, 54. Kerb: Three months £553, 54, 56. Afternoon: Three months £557, 56, 55. Kerb: Three months £566, 57, 58, 59. Turnover: 9,325 tonnes.

Aluminium	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
	£	£	£	£
Spot	647-8	+1.5	652-3	+5
3 months	672-3	+1.75	676.5-7	+5

Aluminium—Morning: Three months £675, 74.5, 74, 73, 72, 72.5, 72. Kerb: Three months £673. Afternoon: Three months £676, 76.5, 77. Kerbs: Three months £677, 78, 79, 80, 81. Turnover: 7,350 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	3200-10	—55	3225-35	+12.5
3 months	3265-75	—52.5	3295-305	+17.5

* Cents per pound. † $M per kilo. ‡ On previous unofficial close. ‖ High grade cathodes deliverable from Sept 1.

Nickel—Morning: Three months £3,275, 70. Kerb: Three months £3,270. Afternoon: Three months £3,290. Kerb: Three months £3,290. Turnover: 372 tonnes.

SILVER

Silver was fixed 9.35p an ounce lower for spot delivery in the London bullion market yesterday at 601.05p. U.S. cent equivalents of the fixing levels were: spot $10.783, down 14c; three-month $11.229, down 14.1c; six-month $11.693, down 15c; and 12-month $12.591, down 16c. The metal opened at 608-613p ($10.95-11.05) and closed at 612-617p ($10.90-11.00).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	601.05p	—9.35	611p	+5
3 months	614.45p	—9.15	626.75p	+4.5
6 months	639.25p	—9.15	—	
12 months	667.85p	—9.35	—	

LME—Turnover 128 (157) lots of 10,000 ozs. Morning: three months 620, 19, 19.5, 20, 21, 21.5. Kerb: three months 621, 22, 23, 24, 25, 26.5. Afternoon: three months 630, 26.5, 29, 29.5. Kerb: three months 630, 31, 32, 33, 34.

COCOA

Futures traded within a narrow range throughout a featureless day for prices to ease under light profit taking and arbitrage selling. Physical business remained scarce, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
Sept	1232-40	—5.5	1235
Dec	1291-92	—6.0	1300-90
March	1320-22	—6.0	1319-10
May	1320-32	—6.0	1327-20
July	1335-37	—6.5	1330-37
Sept	1335-38	—4.5	1339-30
Dec	1343-44	—5.0	1344

Sales: 1,739 (3,285) lots of 10 tonnes. ICCO Daily price for Sept 10: 105.25 (104.91); Indicator price for Sept 11: 106.28 (106.47).

COFFEE

A higher than expected rise in New York opening saw December to the limit up as short covering and some fresh buying exposed a thin market, reports Drexel, Burnham and Lambert. This promoted similar panic short covering in London and prices returned to the previous days highs. However, chart resistance on both markets led to an immediate reversal with prices falling back to close little changed.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Sept	956-65	—5.5	956-55
Nov	987-88	—6.0	1015-76
Jan	995-97	—4.0	1010-79
March	1003-07	+4.5	1020-85
May	1008-10	+6.0	1017-10
July	1009-10	—9.0	1017-10
Sept	1015-20	—9.0	1040-20

Sales: 3,326 (5,620) lots of 5 tonnes. ICO Indicator prices for Sept 10: (U.S. cents per pound): Comp. Daily 1979 105.59 (104.21); 20-day average 104.74 (104.95).

GAS OIL FUTURES

After a quiet morning prices picked up on political uncertainties, reports Premier Man.

Month	Yesterday's close	+ or —	Business Done
	$ U.S. per tonne		
September	300.00	[illegible]	[illegible]
October	305.50	[illegible]	[illegible]
November	308.75	[illegible]	[illegible]
December	311.50	[illegible]	[illegible]
January	313.50	[illegible]	[illegible]
February	316.50	[illegible]	[illegible]
March	318.50	[illegible]	[illegible]
April	320.00	[illegible]	[illegible]
May	320.00	[illegible]	[illegible]

Turnover: 528 (687) lots of 100 tonnes.

GRAINS

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 2 14 per cent. Oct 115.75, Nov 116.00, Dec 120.00 transhipment East Coast sellers. English Feed fob Sept 110, Oct 111.50 sellers East Coast (76-kilo). Oct 113 East Coast sellers. Maize: French, late-Sept 126.75 transhipment East Coast seller. Barley: English Feed fob Sept 104 paid East Coast, Sept 104 seller East Coast. Rest unquoted.

	WHEAT		BARLEY	
Mnth	Yesterd'ys close	+ or —	Yesterday's close	+ or —
Sept	108.90	−0.25	99.50	+0.25
Nov	108.80	−0.25	101.70	−0.10
Jan	112.70	−0.25	105.50	−0.05
Mar	116.25	−0.25	109.00	−0.10
May	119.90	−0.20	112.40	−0.15
July	122.90	−0.15	—	

Business done—Wheat: Sept 107.10-108.55, Nov 109.05-108.75, Jan 112.85-112.60, Mar 116.35-116.15, May no trades, July 123.20 only. Sales: 185. Barley: Sept 99.25 only, Nov 101.80-101.65, Jan 105.50-105.40, Mar 109.00 only, May 112.25 only. Sales: 136 lots of 100 tonnes.

HGCA—Locational ex-farm spot prices. Other milling wheat: Eastern 108.00, E. Mids 104.00, N. East 107.00. Feed barley: Eastern 97.00, E. Mids 97.00, N. East 97.00, Scotland 95.00. The UK Monetary Coefficient for the week beginning Monday, September 21 (based on HGCA calculations using three days' exchange rates) is expected to change to 0.950.

RUBBER

The London physical market opened slightly steadier, saw fair interest throughout the day, and closed quiet. Lewis and Peat reported a Dec price for No 1 RSS in Kuala Lumpur of 256.0 (253.5) cents a kg and SMR 20 202.0 (202.5).

No. 1 R.S.S.	Yest'rys close	Previous close	Business Done
Oct	[illegible]	[illegible]	[illegible]
Nov	[illegible]	[illegible]	[illegible]
Oct-Dec	[illegible]	[illegible]	[illegible]
Jan-Mar	[illegible]	[illegible]	[illegible]
Apr-Jne	[illegible]	[illegible]	[illegible]
Jly-Sept	[illegible]	[illegible]	[illegible]
Oct-Dec	[illegible]	[illegible]	[illegible]
Jan-Mar	[illegible]	[illegible]	[illegible]
Apr-Jne	[illegible]	[illegible]	[illegible]

Sales: 319 (179) lots of 15 tonnes; nil (nil) lots of 5 tonnes. Physical closing prices (buyers) were: Spot 58.50p (57.75p); Oct 58.75p (55.00p); Nov 57.75p (57.00p).

SOYABEAN MEAL

The market opened slightly easier, reports T. G. Roddick. Prices turned on weaker sterling in quiet trading conditions.

	Yesterdays close	+ or —	Business Done
	£ per tonne		
October	[illegible]	[illegible]	[illegible]
December	[illegible]	[illegible]	[illegible]
February	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]
October	[illegible]	[illegible]	[illegible]

Sales: 74 (209) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £162.00 (£161.00) a tonne cif Sept-Oct shipments. White sugar daily price £161.00 (£160.00).

The market opened about unchanged and traded higher following reports that the USSR had recently bought 100,000 tons whites. New York turned sharply lower which triggered a fall, reports C. Czarnikow.

No. 4 Contract	Yest'rdy's close	Previous close	Business done
	£ per tonne		
Oct	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]

Sales: 5,664 (5,235) lots of 50 tonnes. Tate and Lyle delivery price for granulated basis white sugar was £350.4 (same) a tonne fob for home trade and £270.0 (£266.5) for export. International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for Sept 10: Daily price 11.54 (10.94); 15-day average 12.18 (12.37).

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kilo. Oct 391, [illegible]; Dec 394, 398, nil; Jan 396, 398, 399-396; March 406, 407, 408; May 416, 417, 418-417; Aug 425, 429, 429-428; Oct 431, 433, 435; Dec 434, 437, 436-435; Jan 436, 438; March 445, 448, 446-445. Sales: 24.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kilo. [illegible]

AMERICAN MARKETS

NEW YORK, Sept. 11.

Precious metals and copper responded with a moderate advance to downward pressures in interest rates. Grains, soyabeans, and cotton were quiet and mostly fractionally lower in advance of the production report. Coffee advanced on rooster buying where followed coverage has been light. Cocoa drifted lower on arbitrage selling, reported Heinold.

[illegible]

CHICAGO, Sept. 11.

[illegible]

Thursday's closing prices

[illegible]

CHICAGO, Sept. 10.

[illegible]

INDICES

FINANCIAL TIMES

Sept. 10	Sept. 9	Month ago	Year ago
261.10	259.55	259.84	281.40

(Base: July 1, 1952=100)

MOODY'S

Sept. 10	Sep. 9	Month ago	Year ago
1033.0	1020.9	1055.1	1088.2

(December 31, 1931=100)

DOW JONES

Dow Jones	Sept. 10	Sept. 9	Month ago	Year ago
Spot	348.28	346.62	374.27	464.84
Fut's	356.95	356.55	382.12	478.74

(Average 1924-25-26=100)

REUTERS

Sept. 11	Sept. 10	M'nth ago	Year ago
1570.9	1563.5	1749.5	1767.3

(Base: September 18, 1931=100)

POTATOES

LONDON POTATO FUTURES—After a drop in early dealings prices recovered but encountered further selling at the close, reports Coley and Harper. Closing prices: Nov 79.00, −1.70, (high 79.80, low 79.00); Feb 85.50, −1.50, (high 87.70, low 84.50); April 110.20, −0.80 (high 113.10, low 111.00). Turnover: 538 (808) lots of 40 tonnes.

GRIMSBY FISH—Supply good, demand fair. Prices at ship's side (unprocessed) per stone: Shelf cod £4.00-£5.00, codlings £1.80-£2.50; Medium haddock £3.00-£3.80, small £1.80-£2.40; Large plaice £4.00-£4.60, medium £3.70-£4.60, best small £3.20-£4.00; Skinned dogfish (large) £7.00, (medium) £5.50; Lemon soles (large) £9.50, (medium) £8.50.

Stock Exchange dealings

The list below, restricted mainly to equities and convertible stocks, has been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. It shows prices at which business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange's Talisman checking system.

The prices are not in order of execution, but in ascending order which denotes the day's highest and lowest dealing price.

For those shares in which no business was recorded in Thursday's Official List, the latest recorded business done during the previous four business days is given with relevant dates appended. The number of bargains done on Thursday in each section is shown against the respective sub-headings. Unless otherwise indicated the shares are 25p fully-paid.

‡ Bargains at special prices. Δ Bargains done with a non-member or executed in overseas market. ◆ *Bargains done previous day.* SA—$Australian; SB—$Bahamian; SC—$Canadian; SHK—$Hong Kong; SJ—Jamaican; SMa—$Malayan; SMe—$Mexican; SNZ—$New Zealand; SS—$Singapore; SUS—$United States; SWI—$West Indian.

Armstrong Equip (10p) 40
Arrow Chemicals 45
Ash Lacy 267 (4/9)
Ashley Indstl Tst 44 (9/9)
Assoc Biscuit Mnfrs (20p) 70 1‡ 1 ½‡ 3. 6½pcUnsecLn 73
Assoc Book Publishers (20p) 313 (9/9)
Assoc. British Eng. (12½p) 31 ½
Assoc British Foods (5p) 149 51
Associated Communications Cpn. A 55 6 ½ 7 ½‡ ½
Associated Dairies Grp. 189 90 1 2 4
Associated Fisheries 67 ½ 8‡ 8 ½‡ 9‡
Associated Leisure (5p) 98 9 100 1‡ 1 3
Associated Newspapers Grp. 210‡ 10 ¾‡ 3
Associated Paper Ind. 38
Associated Sprayers (10p) 29
Astbury. Madeley (Hldgs.) (20p) 103 5 (7/9)
Astra Ind. Grp (10p) 16½ 7½
Atkins Bros (Hosiery) 48 (8/9)
Audiotronic Hldgs. (10p) 4½ 5
Ault. Wiborg Grp. 28 9
Aurora Hldgs. 20 2. 8pcPf. (£1) 49 (9/9) 8.25pcPf. (£1) 48
Austin (E.) (London) 32◆
Austin (F.) (Leyton) (10p) 14
Austin (James) Steel Hldgs. 59 62 (9/9)
Automated Security (Hldgs.) (10p) 190 3 New (10p) 192 5 (9/9). 8pcLn. 155 6
Automotive Products 62
Avana Grp. (5p) 260 2 5
Avon Rubber (£1) 115 7 8 9 20‡ 20 1‡ 1 2‡ 3‡
Ayrshire Metal Products 33 4 5 6 (9/9)

B.A.T. Industries 375 7 8 80 2 3 4 5‡ 5 ½‡ 6‡ 8‡
BBA Grp. 34 ½ 5 6
BICC 259 60 1‡ 1 2 3 4 5‡ 5
BL (50p) 15 6 7 8 9
BLMC 7¼pcLn. 44
BOC Int. 157 8 ½ 9‡ 9. 9pcLn. 123 ½ 4‡ 4 ¼‡ ½ 5
BPB Ind. PLC (50p) 265 6½ 8
BPC 21 ½ 2 3
BPM N-V B 103 4 (8/9)
BSG Intnl. (10p) 14¼ ½ 5½
BSR (10p) 64 5 ½ 6 ½‡ ½ 7
BTR 342 3 4 6 8 9‡ 9 50‡ 50 1 2 4‡ 4 5‡ 5 6‡ 6 7‡ 8 60 1 2
Babcock Intnl. 106 7 ½ 8 9
Bailey (Ben) Const (10p) 20 (8/9)
Bailey (C. H.) (10p) 6½. B (10p) 7¼ (7/9)
Baird (William) (£1) 204 5 6
Baker Perkins (50p) 83
Bakers Household Stores (10p) 175
Baldwin (H. J.) (10p) 18 (7/9)
Bambers Stores (10p) 65 7
Banks (Sidney C.) 144 (4/9) (7/9)
Bardsey (10p) 21 3. 7prPf. (£1) 73 (7/9)
Barget 173 4 5 7‡ 80‡
Barker Dobson (1p) 8 ½ ¾ 9 ⅛‡
Barr (A. G.) 231
Barr Wallace Arnold 68. A 65 7
Barratt Devel. (10p) 245 ½ 6 7 8‡ 8 9 50‡ 50 ½‡
Barrow Hepburn 35 6 7
Barton 25½ (9/9)
Bassett (Geo.) 67 8 9
Bath Portland 51 2 3
Batleys Yorkshire (10p) 70 1

Carless Capel Leonard (10p) 136 8 9 40
Carpets Intnl. (50p) 31
Carr (J.) (Doncaster) 56 (7/9)
Carrington Viyella 13½ 4‡
Carron (Hldgs.) 28
Carr's Milling Industs. 73
Cartwright (R.) (Hldgs.) (10p) 52 (9/9)
Casket (S.) (Hldgs.) (10p) 24 (8/9)
Castings (10p) 33 4 (7/9)
Cattle's (Hldgs.) (10p) 25
Causton (Sir Joseph) 27
Cawdaw Indust. Hldgs. 20
Cawoods Hldgs. 220 2 3 4 6
Celestion Inds. (20p) 23½ 4 ½
Cement-Roadstone Hldgs. (Ir£0.25) 79½ 80 ½
Central Sheerwood (5p) 18 ½ ¾
Centreway Tst. (50p) 103 (8/9)
Chamberlain Phipps (10p) 45 ½‡
Chambers Fargus (5p) 30 1½
Change Wares (20p) 28
Channel Tunnel Invsts. (5p) 133 9 41‡ 2 5 7
Chapman (Balham) (50p) 168 (8/9)
Chemring (5p) 238 (4/9)
Chloride 22 3 ½ 4 5
Christie-Tyler (10p) 58◆
Christies Intnl. (10p) 167 70 (9/9)
Christy Bros 30 (4/9)
Chubb Son (20p) 100 1 2‡ 2 3
Church 175
Clarke (Clement) (Hldgs.) 116 20 (7/9)
Clarke (T.) (10p) 27 (4/9)
Clay (R.) 44
Clayton Son (Hldgs.) (50p) 96 7 8 (7/9)
Clifford (C.) Inds. (£1) 45
Clifford's Dairies A N-Vtg. 123‡ 3 4‡ 5‡
Clondalkin Gp. (IR0.25) I£0.85
Coalite Gp. 114 5 6
Coates Bros 56. A N-Vtg. 49 50
Coats Patons 74½ 5 ½
Cocksedge (Hldgs.) 32
Cohen (A.) (20p) 345 (9/9). A (20p) 315
Cole (R. H.) 48 (9/9)
Colgate-Palmolive (US$1) 7.45 (4/9)
Collins (W.) Sons (Hldgs.) 217½‡. A N-Vtg. 148¾‡ 9½‡
Comben Gp. (10p) 42½ 3
Comben Group 7¼pcLn 66
Combined English Stores Group 12½pc 43 5 6
Combined Technologies Crp PLC (10p) 10½ 1 2‡ 2
Comet Radiovision Services (5p) 127 8
Comfort Hotels International (10p) 18 ½ 9
Concentric (10p) 30 ½ 1 2
Concord Rotaflex (10p) 40½ 2 3 4
Conder International 75 80 2 5
Continuous Stationery (10p) 36 (9/9)
Cook (William) and Sons (Sheffield) (20p) 15 (8/9)
Cooper (Frederick) (Hldgs) (10p) 20
Cooper Industries (10p) 12 ¼ ½
Cope Allman International (5p) 42½ 3
Copydex (10p) 90 (9/8)
Corah 35
Cornell Dresses (5p) 175 8‡
Cory (H.) PLC (5p) 15
Cosalt PLC 30
Costain Group 238‡ 8 ½‡ 40‡ 40 ½‡ 2. Drd 220‡ 20 2
Countryside Properties 104 (9/9)

Highland Electronics Group (20p) 25 (8/9)
Hill (Charles) of Bristol (£1) 147 50
Hillards (10p) 300 (8/9)
Hiltons Footwear (20p) 91 2 3‡ 4
Hinton (A.) (10p) 192 (9/9)
Hoechst Cdbr (DM5) 275
Hollas Group (5p) 82
Hollis Bros. E.S.A. 30 2 (9/9)
Holt Lloyd Intnl. (10p) 63 7
Home Charm (10p) 119
Home Counties News 73 (7/9)
Homfray 16 ½
Honeywell ($1.50) 45 (7/9)
Hoover 120 (9/9). A 106 10‡

London Northern Grp. 37 ½ 8
London Brick 75½ 6 7 ½. 14pcCnv.Uns. Ln. 131‡ 1
Lone Star Inds. Inc. Shs. Com. Stk. 51 16½ (8/9)
Long Hambly (10p) 7 (4/9)
Longton Industrial Hldgs. 56
Lonrho 85 ½ 6 ½ 7 ½‡ ½
Lonsdale Universal 28 32 ½ 3
Lookers 46 (9/9)
Lovell (Y. J.) (Hldgs.) 263
Low Bonar PLC (50p) 195 7‡ 8 200‡
Low (Wm.) PLC (20p) 180 (9/9)
Lowe (Robt. H.) 41 3½ (8/9)

Lister Co. 38 (9/9)
Liverpool Daily Post Echo (The) (50p) 130¾ 6 8 40
Lloyd (F. H.) Hldgs 38 ½ 7 (9/9)
Locker (Thos.) (Hldgs.) (5p) 11½. A N-Vtg. Ord. (5p) 10½ 1
London Liverpool Tst. (10p) 32 3 4 (9/9)
London Midland Industrials 113 4 5 7. 9½pcCnv.Uns.Ln. 135

Olympia (Redacrel (20p) 27 (9/9)
Ovenstone Invests. (R0.125) 16 (7/9)
Owen Owen 234
Ozalid Group Hldgs 9pc Ln 1987-92 69 (9/9)
P.M.A. Holdings 19 (7/9)
Panto (P.) (10p) 12 (4/9)
Parker-Knoll 125 (9/9). A N-Vtg. 122 3 5‡

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Sept 7	Sept 18	Dec 3	Dec 14
Sept 21	Oct 2	Dec 17	Dec 28
Oct 5	Oct 16	Dec 31	Jan 11

The option market ended the Account on an active note and *calls were arranged in* FNFC, Dunlop, Premier Oil, Plessey, ICL, Woodside, Suter Electrical, Dufay Bitumastic, Hampton Areas, KCA International, Caffyns, GKN, Associated Communications, Britannia Arrow, BET, Tozer Kemsley and Millbourn, Geevor Tin, Durapipe, Burmah Oil, Candecca, Western Areas and Laird. Puts were done in Marievale, GKN, Tubes and Woodside, while doubles were completed in Hampton Areas, British Benzol and Consolidated Gold Fields.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
BSR	75	+11	ICI	278	+ 2
Brit. Aerospace	231	+ 6	KCA Intl.	130	+10
Finlan (John)	178	+ 9	Ocean Transport	116	+ 1
GEC	758	+ 6	P. & O. Defd.	117	+ 2
Grant Bros.	196	+53	Tanks Con.	332	+15
Impala Plat.	435	+30	*W. Mining*	314	+11

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of price changes	Thursday's closing price pence	Day's change	Stock	No. of price changes	Thursday's closing price pence	Day's change
GEC	32	752	− 8	Euro Ferries	15	75	− 4½
BTR	22	350	—	Tanks Con.	15	317	+ 5
Plessey	22	349	—	Leslie Gold.	14	168	+17
Davy Corp.	20	178	−21	Turner Newall	14	93	+ 3
Linfood	16	160	+ 6	*Dowty*	13	246	+ 2
RTZ	16	532	+ 2	Racal Elect.	13	446	+ 3
Bowater	15	246	− 4	Utd. Biscuits	13	128	− 1

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of price changes	Thursday's closing price pence	Change on week	Stock	No. of price changes	Thursday's closing price pence	Change on week
GEC	114	752	−58	ICI	53	276	+ 6
RTZ	65	532	−28	BP	49	306	+ 2
Plessey	82	349	−43	Brit. Aerospace	48	225	−21
Racal Elect.	70	446	−20	Cns. Gld. Flds.	45	537	+15
Bowater	69	246	−16	Dowty	45	246	−12
BICC	57	261	−34	Glaxo	45	406	− 2
Pilkington	54	323	−34	Royal Ins.	45	398	−12

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1981 High	1981 Low	Stock	Closing price p	+ or −	Div. p. or amount	Times covered	Gross yield	P.E. ratio
153	F.P.	21/8	172	150	✠Aerospace Eng.	150	......	bd7.5	1.4	7.1	16.9
64	F.P.	3/9	63	55	*East of Scot. Onshore*	55	......	g0.85	—	2.2	—
§52	F.P.	24/9	95	75	✠Fleet St. Letter. 5p.	93	......	u2.5	1.9	3.8	19.5
—	F.P.	14/8	8	6	✠Hartons 5p.	8	......	—	—	—	—
25	F.P.	18/9	28	26½	JapanAssetsTrust 10p	26½	......	—	—	—	—
62	F.P.	2/10	56½	55	Jeavans Eng.	56	......	b3.75	1.7	9.6	7.3
§130	F.P.	1/10	136	132	✠Markheath 54.6%Pfd	136	......	15.65	1.6	14.3	—
‖	F.P.	20/8	125	105	✠*Newcourt Oil*	105	......	—	—	—	—
—	F.P.	—	180	180	Nippon Electric	180	......	Q325%	2.9	0.9	38.7
100		25/9	103	98	✠Ramus	98	......	gd5.0	2.1	7.3	11.6
—	F.P.	18/3	14	10	Stewart Ent. Warrs.	12	......	—	—	—	—
82	F.P.	28/8	120	114	St'ckhold'rsF.E.Inv $1	114	......	—	—	—	—
66	F.P.	7/9	86	75	✠Thorpac	88	......	b1.82	3.7	3.0	11.6
100	F.P.	15/7	104	88	Utd.Comp.&Tech.50p	99	......	—	—	—	—
§15	F.P.	25/9	17½	15	✠WillaireSystems 10p	15	......	-	—	—	—
¶¶	F.P.	11/9	15	12	Do. Rest. Div. 10p	12xr	......	-	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1981 High	1981 Low	Stock	Closing price £	+ or −
¶¶	F.P.	—	127	120	Amal Dist. Products 10 Cv. Ln. '97	122	......
100	£40	20/10	38¾	38¼	Birmingham Drop-Lock '86/93	38¾	+⅛
100‖	F.P.	7/8	112¼	97½	Chloride 7½% Conv. Prf.	100	......
¶	F.P.	24/9	100½	99⅞	East Surrey Water 10% *Prf.* 1986.	101	......
100‖	F.P.	28/8	115	104	Hanson Trust 9½% Cv. Uns. Ln. 2000-6	110	+1
98½	£25	12/11	25⅝	24½	Inco 15¾% Uns Ln. 2006.	25	......
100‖	F.P.	12/8	134½	110½	Jones (Edward) 15% Cnv. Uns. Ln. '96-98	113	......
¶97	£10	5/9	110	94½	Mid-Kent Water 9% Red. Prf. 1987	94½	......
‖	F.P.	17/7	104¼	95	Mount Charlotte 9½% Cnv. Ln. 1995-2000	96	......
§100	F.P.	—	100⅛	100	Nat'wide Bdg Society 14⅞% Bds 25/8/82	100⅛	......
100‖	F.P.	23/7	179	101	Prop. Hldg. & Inv. Tst. 8½% Cnv. Ln.	101	......
¶¶	F.P.	21/9	93p	82½p	Sterling Credit 3.5% Cnv. Red. Pref.	84p	......
100½p‖	F.P.	11/8	100½p	75p	'W' Ribbons 10% Cum. Red. Prf. '95-96.	76p	+1
¶100	F.P.	24/9	101½	100½	York Waterworks 10% Red. Pref. '85	101½	......

"RIGHTS" OFFERS

Issue price p	Am'unt paid up	Latest Renunc. date ●	Latest Renunc. date ■	1981 High	1981 Low	Stock	Closing price p	+ or −
22	F.P.	31/7	11/9	24	22½	A.I.D.	23½	......
60	Nil	—	—	24pm	15pm	Amal. Dist. Products	17pm	+2
375	125p	13/7	2/12	182	130	BP	152	+2
42	F.P.	20/8	17/9	53	50	Buckley's Brewery	53	......
808	Nil	16/9	14/10	3pm	1pm	Drayton Far East'n (Units)t.	1½pm	......
11	F.P.	28/8	30/9	13	10½	Gartons	10½	......
62	F.P.	11/9	7/10	74½	69	H.A.T. Group	72	+½
12½	Nil	9/10	18/9	18pm	11pm	Jantar	12pm	−1
131	F.P.	28/8	25/9	178	156	Ladbroke	164	−2
110	F.P.	7/9	19/10	133½	116	Laird Grp.	131	......
35	F.P.	21/8	2/10	53	41	Lane (Percy)	53	......
107	Nil	—	—	14pm	7pm	Morgan Crucible	7pm	......
77	F.P.	20/8	25/9	92	81	Moss Engineering	88	......
160‖	F.P.	9/7	12/8	203	185	New Court Nat.Res. Units	202	......
A 81	Nil	—	—	148pm	78pm	Pancontinental	88 pm	+10
85	Nil	—	—	74pm	67pm	Property Sec. Inv. Tst.	69 pm	+2
13pm	*Nil*	—	—	*13pm*	*9pm*	*Trusthouse Forte*	*12pm*	......
360p	F.P.	9/9	9/10	550	466	Utd. Scientific	494	+8
15	F.P.	11/8	25/9	17½	14½	✠Willaire Systems	14½	......

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimate. *g* Assumed dividend and yield. *u* Forecast dividend; cover based on previous year's earnings. *F* Dividend and yield based on prospectus or other official estimate for 1981. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ✠ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Comprising 3 Ordinary and 3 Warrants.

First Charlotte Assets Trust PLC (5p) 11½
First National Finance Corp (10p) 33¼ ½ ¼ 4‡ 4 ¼‡. Warrants 3 (9/9)
Goode-Durrant and Murray Group (5p) 39½ (9/9)
Gresham Investment Trust 89½ 90 1
Hambro Trust PLC 160
Hampton Trust 29½ 30 ½ 1
Highcroft Investment Trust PLC 89 90
Inchcape PLC (£1) 348 50 3 5 (9/9)
Independent Invest. 145 6 8
Kellock (5p) 32 (7/9)
Kwahu (10p) 19½

Drayton Cmml. 163 4
Drayton Consd. 173. 7½pcLn. 137½
Drayton Far Eastern 85. Combd.Units
Drayton Premier 216 7½. 7½pcLn. 130 (9/9)
Dualvest Inc.Shs. (50p) 66½ (8/9). Cap.Shs (£1) 458 (9/9)
Dundee London Inv. Tst. 97
Edinburgh American Assets 107 ½
Edinburgh American Assets Tst. 8pcLn 400
Edinburgh Invest. Tst. 72½ 3½

EUROPEAN OPTIONS EXCHANGE

Series		Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
GOLD C	$375	2	88	—	—	—	—	$448.50
GOLD C	$400	1	66	5	81	—	—	"
GOLD C	$425	1	43	—	—	—	—	"
GOLD C	$450	56	29.50	6	48	—	—	"
GOLD C	$475	55	16.50 A	10	35	—	—	"
GOLD C	$500	14	10	25	23	—	—	"
GOLD C	$525	6	4.50 A	—	—	—	—	"
GOLD C	$550	108	2.50 A	—	—	—	—	"
GOLD P	$425	10	9	—	—	18	14 B	"
GOLD P	$450	30	17	—	—	—	—	"
GOLD P	$475	—	—	10	32	—	—	"
		Oct.		Jan.		April		
ABN C	F.300	12	4.60	36	10	—	—	F.292.50
ABN C	F.320	—	—	6	4.20 B	—	—	"
NEDL C	F.150	18	7.50	—	—	—	—	"
NEDL C	F.160	—	—	11	9 B	—	—	"
NEDL C	F.170	—	—	8	5	—	—	"
NEDL P	F.150	15	4 B	—	—	—	—	"
NATN C	F.110	18	6	10	8	—	—	F.113.20
NATN C	F.115	36	2.10	8	5.40	—	—	"
PHIL C	F.17.50	7	4.10	—	—	—	—	F.21.50
PHIL C	F.20	58	1.80	53	2.90	340	3.80	"
PHIL C	F.22.50	17	0.50	73	1.70	64	2.40	"
PHIL C	F.25	—	—	465	0.80	125	1.30	"
PHIL C	F.27.50	—	—	25	0.40	—	—	"
PHIL P	F.20	51	0.30	10	0.60	—	—	"
PHIL P	F.22.50	10	1	187	1.70	—	—	"
RD C	F.80	36	6.50	—	—	—	—	F.85
RD C	F.90	303	1.40	12	4.20	21	6.50	"
RD C	F.100	37	0.50	38	1.70	—	—	"
RD P	F.80	96	1.50	—	—	—	—	"
RD P	F.90	72	6.20	55	8.80	—	—	"
RD P	F.100	15	17	10	17.50	—	—	"

TOTAL VOLUME IN CONTRACTS 3565

A=Asked B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Sept. 11. Total Contracts 829. Calls 780. Puts 49

Option	Ex'rcise price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity close
BP (c)	320	5	4	18	6	—	—	304p
BP (c)	360	3	4	8	26	—	—	"
BP (c)	410	½	—	3	15	—	—	"
BP (p)	410	112	—	112	15	—	—	"
CU (c)	160	12	—	20	6	23	1	165p
Cons. Gld (c)	420	120	—	125	—	138	1	538p
Cons. Gld (c)	460	80	—	93	1	105	—	"
Cons. Gld (c)	500	45	16	70	2	83	—	"
Cons. Gld (c)	550	17	5	43	16	58	—	"
Court'lds (c)	60	4½	20	8½	22	11	—	62p
GEC (c)	650	122	15	147	—	—	—	757p
GEC (c)	750	35	5	70	—	97	—	"
GEC (c)	800	12	4	40	11	67	—	"
GEC (c)	850	3	—	22	10	42	8	"
Gr'd Met. (c)	200	5	—	16	6	20	—	191p
Gr'd Met. (c)	220	2	—	8	5	12	—	"
Gr'd Met. (p)	200	14	5	17	1	19	—	"
ICI (c)	260	22	16	34	1	44	—	276p
ICI (c)	280	8	27	24	2	34	—	"
ICI (c)	300	3	10	14	49	19	16	"
ICI (c)	330	1	—	6	7	—	—	"
ICI (p)	280	13	5	18	—	24	—	"
Land Sec. (c)	312	16	11	26	—	—	—	320p
Mks & Sp (c)	140	3½	4	9	3	15	—	135p
Shell (c)	330	42	10	50	—	—	—	358p
Shell (c)	390	6	—	16	—	26	1	"
		November		February		May		
Imperial (c)	60	4½	—	7½	20	9	3	65p
Lasmo (c)	500	32	22	57	—	77	—	494p

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

* Denotes Irish currency.

Asprey £28
Aston Villa FC (1 vote) £9 10
Bell 5pcCum.Pt. 33 4 (9/9)

(By permission of the Stock Exchange Council)

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley (051-548 6555)	13½	½-year	1,000	1-3

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	Term shares* %	
Abbey National	8.25	8.50	9.75	10.50	5 yrs., 10.00, 4 yrs., 9.50 3 yrs.
Aid to Thrift	9.20	9.45	—	—	
Alliance	8.25	8.50	9.75	10.50	5 yrs., 10.00 4 yrs., 9.50 3 yrs., 9.00 2 yrs., 9.50 3 months' notice
Anglia	8.25	8.50	9.75	10.50	5 yrs., 9.50 1 mth. notice int. loss
Bradford and Bingley	8.25	8.50	9.75	9.50	1 month's notice deposit
Bridgwater	8.25	8.50	10.00	10.50	5 yrs., 9.60 2½ yrs.
Bristol Economic	8.25	8.50	9.75	9.25	3 mths.' not. & 9.50 on balances of £10,000 and over. Escalator shares 9.00-10.50 (1-5 yrs.)
Britannia	8.25	8.50	9.75	10.00	5 yrs., 9.50 3 months' notice
Burnley	8.25	8.50	9.75	10.50	5 yrs., 9.50 3 months' notice
Cardiff	8.25	9.50	10.50	—	
Catholic	8.25	8.75	9.75	—	8.95 over £5,000
Chelsea	8.25	8.50	9.75	10.50	5 yrs., 9.90 1 yr., 9.50 3 months
Cheltenham and Gloucester	8.25	8.50	9.75	—	
Citizens Regency	—	8.75	10.00	10.75	5 yrs., 9.75 3 yrs., 9.25 1 yr.
City of London (The)	8.50	8.75	9.60	10.00	Capital City shs.—4 mths. notice
Coventry Economic	8.25	8.50	9.75	10.00	4 yrs., 9.75; 3 yrs., 9.50 3 months
Coventry Provident	8.25	8.50	10.50	10.55	av. 5 yr., 10.00 4 yr., 9.25 3 mths.
Derbyshire	8.25	8.50	9.75	9.00	to 9.50 3 months
Ealing and Acton	8.25	9.00	—	9.65	2 years, £2,000 minimum
Gateway	8.25	8.50	9.75	10.50	5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Gateway	—	9.50	—	—	Plus a/c £500 min. int. ½-yearly
Greenwich	—	8.75	10.00	10.75	5 yrs., 10.00 3 months' notice
Guardian	8.25	8.75	—	10.00	3 mth., 10.50 6 mth., min. £1,000
Halifax	8.25	8.50	9.75	10.50	5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Heart of England	8.25	8.50	9.75	—	3 mths.' notice 9.50, 5 yrs. 10.50
Hearts of Oak and Enfield	8.25	8.75	10.25	10.00	4 yrs., 9.75 3 yrs., 9.50 2 yrs.
Hendon	8.75	9.25	—	10.25	6 months, 10.00 3 months
Huddersfield and Bradford	8.25	8.50	9.25	10.00	5 yrs., 10.00 4 yrs., 9.50 3 yrs., 9.00 2 yrs.
Lambeth	8.25	8.75	10.50	10.75	5 yrs., 10.50 6 mths.
Leamington Spa	8.35	8.60	11.50	10.10	(1 year)
Leeds Permanent	8.25	8.50	9.75	9.25	E. I. a/c £500 min., 9.50 £5,000+
Leicester	8.25	8.50	9.75	10.50	5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Liverpool	8.25	8.50	9.80	10.50	5 yrs., 9.55 1 month int. penalty
London Grosvenor	8.25	9.00	11.00	9.50	6 months' notice
Melton Mowbray	8.35	8.60	9.75	10.10	4 yr., 8.85 (up to £1,000) 3 mths. not., 9.60 (over £1,000) 3 mths.
Mornington	9.10	9.60	—	—	
National Counties	8.50	8.50	9.80	9.50	35 days' notice, min. dep. £500, 6 mth. 9.90, 11.00 at 9 mths. not.
Nationwide	8.25	8.50	9.75	10.50	5 yrs., £500 min. 90 days' not. bonus a/c 9.25 £2,500 min., 9.50 £10,000 + 28 days' not.
Newcastle	8.25	8.50	9.75	10.50	4 yrs., 9.25 3 months' notice
New Cross	9.00	9.25	—	9.25	10.00 on share accs., depending on min. balance over 6 mths.
Northern Rock	8.25	8.50	9.75	10.50	5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Norwich	8.25	8.50	10.00	9.50	3 yrs., 9.25 2 yrs., min. £500
Paddington	8.00	9.00	10.50	10.00	Loss 1 month int. on sums wdn.
Peckham Mutual	8.50	9.50	—	10.00	2 y, 10.50 3 y, 11.00 4 y, 9.75 Bns
Portman	8.25	8.50	9.75	10.50	5 yrs., 9.55 6 months' notice
Portsmouth	8.60	8.80	10.30	10.85	(5 yrs.), 10.25 (6 months)
Property Owners	8.50	9.00	10.50	10.55	5 yrs., 10.50 6 mths., 9.80 3 mths.
Provincial	8.25	8.50	9.75	10.00	3 yrs.
Skipton	8.25	8.50	9.75	10.50	5 yr., 9.6-9.75 28 dys. int. on wdl.
Sussex County	8.50	8.75	10.55	11.00-9.50	(6-2 yrs.), 9.25 2 mths. not.
Sussex Mutual	8.50	9.10	10.50	9.25-10.50	all with special options
Town and Country	8.25	8.50	9.75	10.50	5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Walthamstow	8.25	8.75	9.75	9.75	6 months' notice, min. £1,000
Wessex	8.50	9.60	—	—	5 yrs., 8.75 6 mths.
Woolwich	8.25	8.50	9.75	10.50	3 months' notice account 9.50

* Rates normally variable in line with changes in ordinary share rates.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

MONEY MARKETS

London clearing banks base lending rates 12 per cent

The Treasury bill rate rose by 0.1342 per cent at yesterday's tender to 13.2110 per cent, and the minimum accepted bid fell to £96.695 from £96.73. Bids at that level were met as to about 1 per cent and above in full. The £100m of bills attracted bids of £356.46m compared with £420.17m, and all bills offered were allotted. Next week a further £100m of bills will be on offer.

The Bank of England expected a shortage of around £350m in the London money market yesterday, with net Exchequer transactions totalling −£200m and an increase in the note circulation of −£120m. During the morning the Bank entered into a sale and repurchase agreement involving £258m of eligible bank bills, unwinding on September 21 and 28 at 12¼ per cent. In the afternoon further assistance was provided comprising purchases of Treasury bills in band 2 (15-33 days maturity) totalling £14m at 12⅝ per cent and £45m of local authority bills at 12 11/16 per cent. The day's total help amounted to £317m.

In the interbank market weekend money opened at 12½-12¾ per cent and *rose* to 12¾-13 per cent on the forecast before easing back to 12½-12¾ per cent. Rates eased further during the afternoon to 12¼-12½ per cent but came back to *13 per cent before finishing* at 2 per cent.

EXCHANGES AND BULLION

Sterling fell sharply in currency markets yesterday in very thin trading. *It held its ground* quite well during the morning but fell away during the afternoon in the absence of any buying interest. The Bank of *England may have given support* from time to time but only on a relatively small scale. Against the dollar it opened at $1.8000 and touched $1.8040 before coming back to $1.7950 at noon. By 3 pm it had fallen to $1.7850 and touched a low of $1.7760 before finishing at $1.7770-1.7790, a fall of 2.65c. Its trade weighted index fell to 87.5 from 88.5, its lowest level since May, 1979 and having stood at 87.9 at noon and 88.4 in *the morning. Against the D-mark* it finished at DM 4.27 from DM *4.33 and SwFr 3.6525 from SwFr* 3.7275. Against the French franc it fell to FFr 10.24 from FFr 10.2950.

The dollar showed mixed changes in rather quiet trading. There were some expectations of lower U.S. interest rates but this appeared to have little effect on the U.S. unit in a typically *quiet pre-weekend market.* Against the D-mark it rose to DM 2.4010 from DM 2.3985 but eased in terms of the Swiss franc to SwFr 2.0540 from SwFr 2.0650. The *yen improved* in dollar terms with the latter closing at Y231.40 from Y230.75. On Bank of England figures the dollar's index rose to 110.6 from 110.5.

Gold closed at $449-451, a fall of $2½ an ounce.

THE POUND SPOT AND FORWARD

Sept 11	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.7760-1.8040	1.7770-1.7790	0.60-0.70c dis	−4.39	1.85-1.95dis	−4.27
Canada	2.1375-2.1775	2.1395-2.1415	1.30-1.40c dis	−7.57	3.65-3.85dis	−7.01
Nethlnd.	4.71½-4.81½	4.72½-4.73½	¼c pm-¼ dis	—	1-½ pm	0.63
Belgium	69.90-71.30	70.00-70.10	28-38c dis	−5.65	102-112 dis	−6.11
Denmark	13.35-13.57	13.36-13.38	6⅛-7⅛ore dis	−5.95	14½-16¼ dis	−4.60
Ireland	1.1700-1.1935	1.1710-1.1730	0.37-0.49p dis	−4.40	1.03-1.19dis	−3.79
W. Ger.	4.26-4.34	4.26½-4.27½	¾-¼pf pm	1.40	2-1½ pm	1.64
Portugal	116.75-119.00	116.90-117.20	80-205c dis	−14.61	200-495dis	−11.87
Spain	173.00-176.00	173.15-173.45	75-100c dis	−6.06	235-275 dis	−5.88
Italy	2,144-2,180	2,145-2,147	19¼-21¼ lire dis	−11.32	67½-70½dis	−12.86
Norway	10.62-10.82	10.63-10.65	1⅛ore pm-par	0.63	⅞ pm-⅛ dis	0.05
France	10.22-10.42	10.23-10.25	6-7c dis	−7.62	21-22 dis	−8.40
Sweden	9.20-9.36	9.20½-9.22½	½-1½ore dis	−1.30	2-3 dis	−1.08
Japan	410-420	411-412	2.20-1.90y pm	5.98	6.65-6.35 pm	6.32
Austria	30.00-30.50	30.00-30.05	8-3gro pm	2.20	14-4 pm	1.20
Switz.	3.64-3.74	3.64¼-3.65¼	1-½c pm	2.46	3½-2½ pm	3.15

Belgian rate is for convertible francs. Financial franc 76.05-76.15. Six-month forward dollar 3.43-3.53c dis, 12-month 6.10-6.30c dis.

GOLD

	Sept. 11		Sept. 10	
Gold Bullion (fine ounce)				
Close	$449-451	(£252-253)	$451½-453½	(£250-251)
Opening	$447½-449½	(£248½-249½)	$445½-447½	(£249-250)
Morning fixing	$447.75	(£249.255)	$448	(£250.419)
Afternoon fixing	$448.25	(£250.910)	$451.50	(£251.532)
Gold Coins				
Krugerrand	$463½-464½	(£258¼-259¼)	$466-467	(£258¾-259¼)
½ Krugerrand	$238½-259½	(£133-133½)	$239-243	(£132¾-134¾)
¼ Krugerrand	$121½-122½	(£67½-68¼)	$124-125	(£68¾-69¼)
1/10 Krugerrand	$49½-50½	(£27½-28)	$52-53	(£28¾-29¼)
Mapleleaf	$463¼-464¼	(£258¼-259¼)	$466-467	(£258¾-259¼)
New Sovereigns	$111½-112½	(£62¼-62¾)	$112½-113¼	(£62½-62¾)
King Sovereigns	$125¼-127¼	(£70¼-71¼)	$125¼-127¼	(£69½-70½)
Victoria Sovs.	$125¼-127¼	(£70¼-71¼)	$125¼-127¼	(£69½-70½)
French 20s	$130-135	(£72½-75¼)	$127-133	(£70½-73¾)
50 pesos Mexico	$560-565	(£312½-314¼)	$561-564	(£311½-313)
100 Cor. Austria	$438-441	(£244½-246¼)	$439-442	(£243¾-245½)
$20 Eagles	$580-585	(£323¾-326½)	$582-587	(£323-326)

EXCHANGE CROSS RATES

Sept. 11	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.778	4.270	411.5	10.24	3.653	4.730	2146.	2.141	70.05
U.S. Dollar	0.562	1.	2.402	231.4	5.759	2.054	2.660	1207.	1.204	39.40
Deutschemark	0.234	0.416	1.	96.37	2.398	0.855	1.108	502.6	0.501	16.41
Japanese Yen 1,000	2.430	4.321	10.38	1000.	24.88	8.876	11.49	5215.	5.202	170.2
French Franc 10	0.977	1.736	4.170	401.9	10.	3.567	4.619	2096.	2.090	68.41
Swiss Franc	0.274	0.487	1.169	112.7	2.804	1.	1.295	587.5	0.586	19.18
Dutch Guilder	0.211	0.376	0.903	87.00	2.165	0.772	1.	453.7	0.453	14.81
Italian Lira 1,000	0.466	0.829	1.990	191.8	4.772	1.702	2.204	1000.	0.997	32.64
Canadian Dollar	0.467	0.831	1.995	192.2	4.784	1.706	2.210	1003.	1.	32.73
Belgian Franc 100	1.428	2.538	6.096	587.4	14.62	5.214	6.752	3064.	3.056	100.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Sept. 11	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	12⅝-12⅞	16⅞-17⅛	20-21	11½-12	5½-6	11⅝-11⅞	16¾-17¼	19-22	12⅝-13½	6¾-7¼
7 days' notice	12¾-13	17-17¼	20-21	11⅞-12⅛	5-5½	11⅝-11⅞	18½-19	21¼-24½	14½-15	7⅛-7⅜
Month	13¼-13⅜	17⅛-17⅜	20¾-21⅛	13-13⅛	10 1/16-10 5/16	12 1/16-12 5/16	21½-22	25-26½	17⅞-19	7 1/16-7 5/16
Three months	13⅞-14	18-18¼	20¾-21⅛	13-13⅛	10 3/16-10 7/16	12 3/16-12 7/16	22⅝-23⅛	27-28	19⅞-20¼	7⅜-7⅝
Six months	14⅛-14¼	18 1/16-18 5/16	20⅛-20½	13 1/16-13 5/16	10½-10⅝	12 3/16-12 7/16	22¼-22⅝	27¼-28¾	19⅝-20	7⅜-7⅝
One Year	14 1/16-14 5/16	17¾-18	19⅝-20	13 1/16-13 5/16	10 3/16-10 7/16	12 1/16-12 5/16	22-22⅝	28-29	18½-19	7¾-8

SDR linked deposits: one-month 15½-15⅞ per cent; three-months 15 9/16-15 13/16 per cent; six-months 15 13/16-16 1/16 per cent; one-year 15 7/16-15 11/16 per cent.

ECU linked deposits: one-month 15¾-16⅛ per cent; three-months 16 5/16-16 11/16 per cent; six-months 16⅝-17 per cent; one year 16¼-16⅝ per cent.

Asian $ (closing rates in Singapore): one-month 17½-17⅝ per cent; three-months 18-18⅛ per cent; six-months 18¼-18⅜ per cent; one year 17⅞-18 per cent. Long-term Eurodollar two years 17½-17⅞ per cent; three years 17⅜-17⅞ per cent; four years 16⅞-17⅜ per cent; five years 16⅞-17⅜ per cent; nominal closing rates. The following nominal rates were quoted for London dollar certificates of deposit: one-month 17.35-17.45 per cent; three-months 17.70-17.80 per cent; six-months 17.90-18.00 per cent; one year 17.60-17.70 per cent.

FT LONDON INTERBANK FIXING (11.00 a.m. SEPTEMBER 11)

LONDON MONEY RATES

CURRENCY MOVEMENTS

Sept. 11	Bank of England Index	Morgan Guaranty Changes %
Sterling	87.5	−35.3
U.S. dollar	110.6	+4.1
Canadian dollar	86.2	−17.2
Austrian schilling	112.7	+22.9
Belgian franc	105.4	+8.7
Danish kroner	86.9	−10.2
Deutsche mark	117.5	+49.2
Swiss franc	137.7	+86.0
Guilder	109.3	+18.8
French franc	81.3	−11.7
Lira	57.3	−56.9
Yen	140.0	+54.3

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

OTHER CURRENCIES

Sept. 11	£	$		£ Note Rates
Argentina Peso	9886-9846†	5493-5513†	Austria	30.15-30.55
Australia Dollar	1.5640-1.5660	0.8750-0.8755	Belgium	76.35-77.15
Brazil Cruzeiro	186.07-187.07	104.12-104.64	Denmark	13.46-13.61
Finland Markka	8.074-8.087	4.5325-4.5245	France	10.30-10.60
Greek Drachma	105.860-107.040	58.80-58.80	Germany	4.31-4.36
Hong Kong Dollar	10.68-10.69	5.9850-5.9950	Italy	2140-2200
Iran Rial	145.50*	81.00*	Japan	415-420
Kuwait Dinar (KD)	0.508-0.514	0.2842-0.2844	Netherlands	4.75-4.80
Luxembourg Fr.	70.00-70.10	39.39-39.41	Norway	10.69-10.84
Malaysia Dollar	4.2270-4.2370	2.3685-2.3705	Portugal	115¾-124
New Zealand Dlr.	2.1590-2.1640	1.2150-1.2160	Spain	170-180¾
Saudi Arab. Riyal	6.12-6.18	3.4190-3.4820	Sweden	9.27-9.37
Singapore Dollar	3.8530-3.8630	2.1590-2.1610	Switzerland	3.68-3.73
Sth. African Rand	1.6915-1.6935	0.9515-0.9525	United States	1.79-1.81
U.A.E. Dirham	6.58-6.63	3.6700-3.6730	Yugoslavia	76½-79½

† Rate given for Argentina is the commercial rate. The financial rate for sterling is 13,262-13,282 and for the dollar 7,400-7,450. *Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU September 11	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	40.7985	40.8438	+0.11	+1.05	±1.5361
Danish Krone	7.91917	7.80718	−1.41	−0.47	±1.6413
German D-Mark	2.54502	2.49364	−2.02	−1.08	±1.1386
French Franc	5.99526	5.98215	−0.22	+0.72	±1.3638
Dutch Guilder	2.81318	2.76067	−1.87	−0.93	±1.5159
Irish Punt	0.685145	0.684015	−0.16	+0.78	±1.6688
Italian Lira	1262.92	1254.09	−0.70	−0.58	±4.1116

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times. Sterling/ECU rate for September 11, 0.577393.

U.K. CONVERTIBLE STOCKS 12/9/81

Statistics provided by dataSTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates⇔	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Div.♡	Cheap(+) Dear(−)◇ Current
British Land 12pc Cv. 2002	9.60	287.50	333.3	80-97	4.2	1.7	−0.9	−4 to 2	16.2	89.8	25.4	+26.2
Hanson Trust 6½pc Cv. 88-93	3.02	151.50	57.1	76-82	4.3		−7.0	−7 to 0	4.2	0.0	−2.6	+4.4
Slough Estates 10pc Cv. 87-90	5.31	249.50	187.5	78-84	4.0		−3.6	−8 to −2	18.6	21.6	1.2	+4.7
Slough Estates 8pc Cv. 91-94	24.88	117.50	78.0	80-91	6.9	5.8	9.2	6 to 14	27.3	46.3	17.7	+8.5

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. ⇔ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

LONDON STOCK EXCHANGE

Specialist interest dominates quiet equity markets
Leaders improve, helped by Wall Street influences

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Aug 28	Sept 10	Sept 11	Sept 21
Sept 14	Sept 24	Sept 25	Oct 5
Sept 28	*Oct 8*	*Oct 9*	*Oct 19*

* "New-time" dealings may take place from 9.30 am two business days earlier.

Investment enthusiasm for London equities remained in low key yesterday, the last session of the trading Account, with *situation stocks again* attracting most of the trade. Wall Street's rally overnight led to an extension of Thursday's recovery in leading shares but, with Electricals *continuing their recent* erratic behaviour, the market generally stayed uncertain.

Specialist interest centred on companies due to announce trad*ing statements. In this category,* **GKN** and **British Aerospace** provided good features, while **Matthew Brown** rose sharply following yesterday's unsuccessful attempt by **Warren Plantations** to acquire a 14.9 per cent stake. **Grant Bros** advanced further on the bid approach and, in sympathy, **J. T. Parrish** and **Elys** *(Wimbledon) went noticeably* higher.

Expectations that demand for leading equities would improve after the official, 3.30 pm close, when business is permitted without penalty for the Account beginning on Monday, were not completely misplaced, although business failed to show any marked expansion. The FT Industrial Ordinary share index, which had a 10 am gain of 4.3 reduced an hour later to 2.2, edged higher to close 4.8 up at 553.4. *This represented a loss of* 1.5 on the week and one of 8.9 on the Account.

Mounting pressure for lower U.S. interest rates put Gilt-edged securities up. Many longer-dated stocks opened about ¼ above their overnight positions and improved further, but this investment area also lacked underlying strength. When sterling weakened on American selling in the afternoon, Gilts moved likewise and many closed only marginally higher on balance *after another thin trade.*

Traded options finished a disappointingly quiet week with 780 calls and 49 puts. The week's daily average amounted to 849, the lowest since early March. **P&O Deferred** and **ICI** attracted 181 and 127 calls respectively.

Insurances improve

Insurances took a distinct turn for the better on technical influences, but closed below the best in places. **Prudential** touched 241p before settling a net 6 up at 239p after comment on the interim results, while **Hambro Life** finished 3 dearer on balance at 419p, after 424p. Among Composites, **Eagle Star** improved 4 to 305p and **Guardian Royal Exchange** 6 to 346p. *Brokers Sedgwick added 4 for a* two-day gain of 8 to 159p in response to the interim results.

Guinness Peat shed 3 to a 1981 low of 84p on the reduced annual profits and dividend, but **Allen Harvey and Ross** firmed 10 to 335p *following the interim* report.

Business in the drinks sector was enlivened by a surprise dawn raid for wine and spirits concern **Matthew Clark** which jumped 38 to 172p on news that Warren Plantations were offering to pay about 160p for 14.9 per cent of the equity; in the *event, the raid proved unsuccess*ful and Warren were generally reckoned to have obtained less than 1 per cent of the shares. Elsewhere, a broker's seminar *directed support towards* **Arthur Guinness**, 5 dearer at 62p.

Interest in leading Buildings perked up considerably following the Prime Minister's statement about reviving plans to build a Channel Tunnel. **Blue** *Circle led the revival, rising 10* to 514p, while **Tarmac** gained 6 to 415p, **Rugby Portland Cement** 2½p to 85½p and **Tunnel B** 15 to 485p.

Barratt Developments, a rather dull market of late, picked up *to close 4 dearer at 252p*; the annual results are due on September 22. **John Finlan** put on 9 for a gain on the week of 15 to 178p awaiting the outcome of *discussions with an unnamed* party, while renewed demand in a thin market lifted **Tilbury Contracting** 10 to 285p. Contract news helped **Fairclough Con***struction to add 3 to 144p*, but **Brown and Jackson** lacked support and shed 4 to a 1981 low of 42p. **French Kier**, firm recently on bid hopes, softened a penny to 86p.

ICI, up 14 late on Thursday on bullish reports emanating from a stockbroker's lunch attended by institutional investors, *slipped to 274p before closing a* net 2 dearer at 278p. **Fisons** hardened 3 to 153p, while **Stewart Plastics** added 5 *for a* two-day gain of 9 to 155p in *response to the increased annual* profits and proposed 50 per cent scrip issue. **Novo Industries B** rose 4 points to £92.

Approach for Grant Bros.

Interest in leading Stores remained at a low ebb and most held within a penny or two of the overnight levels. In sharp *contrast, secondary counters dis*played some substantial gains reflecting takeover speculation. An approach from an as yet unnamed party lifted **Grant Bros** 53 *for a two-day leap of 73 to* 196p. **Owen Owen**, which controls 14.31 per cent of Grant Bros added 5 to 245p, while interest was also noted for **Elys** *(Wimbledon), 285p, and* **J. T. Parrish**, 185p, up 18 and 25 respectively. **Cornell Dresses** returned to favour and closed 6 dearer at 183p, while **Polly Peck** added a *couple of pence to 320p, after* 315p. **George Oliver**, 103p, and **Cantors A**, 44p, both rose around 4 following their respective interim and full-year results.

Calmer conditions prevailed in the Electrical sector after the *shake-out earlier in the week on* defence cut fears. **Thorn EMI** rallied 6 to 458p and **GEC** 6 to 758p, while **Racal** closed 7 dearer at 453p. **BSR** featured secondary issues with a jump of 11 to 75p on the return to profitability at the half-way mark and the interim dividend payment. **Electrocomponents** rallied *10 to 730p and* **Ferranti** *5 to 545p*, while fresh speculative demand lifted **Fidelity Radio** 3 more to 55p. In contrast, **Scan Data** fell 12 to 150p and **Automated** *Security 10 to 185p.*

Leading Engineers rarely strayed far from overnight closing levels, but **GKN**, up 5 at 182p, reflected occasional demand ahead of next Thursday's interim statement. **B. Elliott** firmed 8 to 152p in a difficult market, while **Ductile**, up 3 further at 83p, continued to reflect the chairman's encouraging remarks on the outlook. Speculative interest left **Serck** 4 higher at 39p and renewed demand lifted **Percy Lane** 3 *more to 56p.*

Foods closed the Account on a steady to firm note. **J. Sainsbury** hardened 8 to 463p and **Associated Dairies** 4 to 194p, while *Linfood, up 6 on Thursday on* confirmation that Guinness Peat had sold its 20 per cent stake in the company to Gulliver Foods, added 2 more to 162p for *a gain on the week of 20.* **Brooke Bond** hardened a penny to 48p following a Press mention, but comment on the interim results clipped 2 from **United Biscuits** to 126p. Elsewhere, **Clifford's Dairies A** added 4 to 127p on new-time buying.

Channel Tunnel up

Apart from a fresh improvement of 5 to 98p in **Turner and Newall** following the interim results, little worthy of note developed in the miscellaneous industrial leaders. News that Britain and France are to go ahead with new studies for the Chunnel project prompted renewed strength in **Channel Tunnel**, which advanced 21 for a two-day gain of 38p to 168p. Unsettled earlier in the week by fears of defence cuts, **British Aerospace** rallied 6 to 231p ahead of next Tuesday's interim results, while further consideration of the half-yearly statement prompted a rise of 4 to 172p in **Lead Industries**.

Business Computers weakened sharply in the late dealings to *115p, down 15, on disappoint*ment with the interim figures. **Barget**, a dull market of late, rallied 8 to 183p, while other bright spots included **Johnson Matthey**, 5 up at 285p, and **Hoskins and Horton**, 6 to the good at 106p. **F. Austin (Leyton)** eased 1¼ to 13p on the proposed rights issue, while comment on *the half-yearly figures prompted* dullness in **Bestobell** which touched 455p before settling 16 down on balance at 457p. Nervous selling caused marked weakness in **Change Wares** which fell to 15p before closing 9 off on the day at 19p. **Cawoods** drifted to 216p, down 6, on sporadic offerings and falls of 5 were recorded in **George Wills**, 35p, and **Brady** *Industries A, 62p. Standard In*dustrial turned weak late at 53p, down 6, on the poor preliminary results.

Down 5 on Thursday on the *increased interim loss and the* board's gloomy statement, **Black and Edginton** rallied 3 to 58p on takeover hopes. Among other Leisure issues, **Samuelson Film Service**, at 230p, regained 5 of the previous day's fall of 15, but **Intasun** remained at 87p despite the chairman's optimistic remarks to institutional investors.

Motor Components attracted useful support in the late business and closed with gains to 8. **Lucas** firmed that amount to 233p, while **Dowty** rose 6 more to 252p. **Abbey Panels** advanced 7 to 73p, the chairman's confident outlook outweighing the lower first-half earnings. *Distri*butors also took on a firmer stance, **Lex Service** remained to the fore, closing 5 to the good at 124p, while **H. and J. Quick** added 3 *more to 52p. Appleyard* gained the turn to 64p following the reduced mid-term deficit and nominal interim dividend.

Publishing issues were irregular. **Pearson Longman** eased 5 to 173p in front of Monday's mid-term statement, while **Haynes** added a couple of pence to 140p following the increased annual profits. In contrast, the interim profits setback and worries over the maintenance of the final dividend clipped 5 from **Home Counties**, 65p. **Liverpool Daily Post** improved 7 to 142p ahead of next Wednesday's interim results.

After opening a few pence firmer, leading Properties drifted back to close virtually unchanged on balance. Elsewhere, renewed speculative demand lifted **Carlton Real Estates** 2 to 31½p.

KCA improve

Leading Oils were inclined easier, where altered. Among secondary issues, **KCA Inter***national rallied 10 to 130p await*ing next Thursday's interim results. **Berkeley Exploration** picked up 5 to 315p, while Irish issues were featured by a rise of 25 to 300p in **Atlantic Resources**.

Profit-taking in the wake of the interim results left **Yule Catto** 8 lower at 70p.

South African Golds advanced to their best levels since the end of December last year, as measured by the Gold Mines index; the latter was finally 5.7 up at 421.3—despite an uncertain performance by the bullion price which eased $2.50 to $450 an ounce, up a net $12 over the week.

Hopes of lower American interest rates and persistent unease over the situation in Poland, *coupled with a shortage of stock* throughout the week led to strong gains in Gold shares which gained ground for five successive trading sessions.

Buying interest, described as bear-closing on Monday and Tuesday, was followed by influential investment demand towards the end of week and led to *substantial individual* gains at last night's close.

The high quality stocks showed rises in excess of a point, as in **Vaal Reefs**, £1¼ up at a 1981 high of £39¼, and **President Brand**, a like amount firmer at a high of £25¼.

In the medium and cheaper-priced issues, **Kinross** added a further 17 to 341p ahead of the better-than-expected dividend *declaration.*

Unisel also made strong progress in front of the dividend announcement, rising 24 to a year's best of 532p. Elsewhere in the Gencor group, **St Helena** edged up ¼ to a high of £22¾.

Financials were featured by **Tanks**, which advanced 15 more to 332p—a week's gain of 40—reflecting revived takeover speculation.

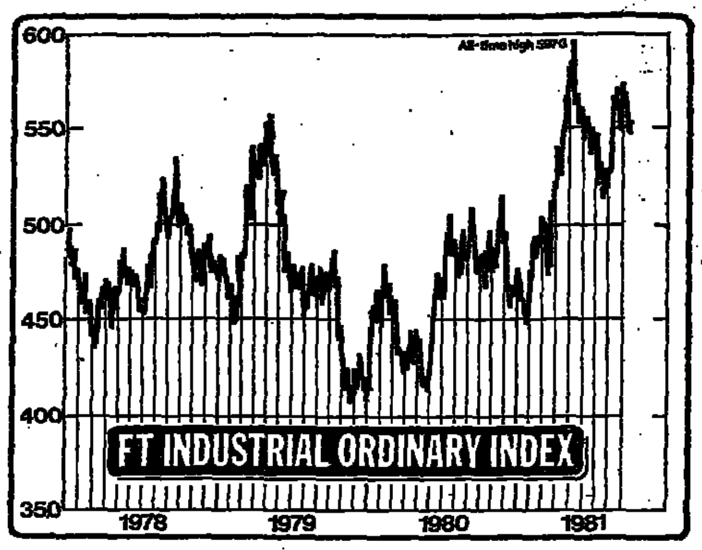
Losses of 2 were common to *Gold Fields*, 535p—ahead of next Tuesday's full-year results, and **Rio Tinto-Zinc**, 530p; the latter's interim figures are expected on *Wednesday.*

South African Financials *showed* **Gencor** *a further ¼ firmer* at £12, while **Transvaal Consolidated Land** ended a point up at £26 and "**Amgold**" ¾ harder at £50¼.

Platinums reflected the recent surge in free market metal *prices; Impala, 435p, and Rus*tenburg, 310p, both jumped 30.

Elsewhere in Australians, **Haoma Gold** dipped 2 to 40p and **North West Mining** a like amount to a year's low of 32p following Haoma's share-exchange bid for North West.

Western Mining, the subject of strong demand on Tuesday following news of the possible oil discovery in the Canning *Basin, moved up 11 to 314p.*



FINANCIAL TIMES STOCK INDICES

	Sept. 11	Sept. 10	Sept. 9	Sept. 8	Sept. 7	Sept. 4	A year ago
Government Secs	64.25	64.05	63.85	63.88	63.90	64.18	70.84
Fixed Interest	65.88	65.75	65.64	65.79	65.80	65.84	71.89
Industrial Ord	553.4	548.6	546.4	551.3	547.9	554.9	509.5
Gold Mines	421.3	415.6	398.8	388.4	385.0	381.8	468.4
Ord. Div. Yield	5.47	5.51	5.51	5.46	5.48	5.40	7.22
Earnings, Yld. %(full)	9.47	9.78	9.95	9.83	9.75	9.02	17.00
P/E Ratio (net) (*)	13.49	12.99	12.73	12.86	13.05	14.79	7.17
Total bargains	17,221	16,802	15,478	16,656	15,262	15,629	23,898
Equity turnover £m.	—	137.17	99.96	139.85	174.56	121.60	167.76
Equity bargains	—	13,039	11,794	11,896	11,912	12,090	19,957

10 am 552.9. 11 am 550.8. Noon 550.9. 1 pm 550.3. 2 pm 551.7. 3 pm 552.0.

Latest Index 01-246 8026.

Nil=12.03.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

HIGHS AND LOWS

	1981 High	1981 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.61 (20/5)	63.12 (21/7)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	72.01 (20/5)	65.36 (21/7)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	597.3 (30/4)	446.0 (14/1)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	421.3 (11/9)	262.6 (25/6)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Sept. 10	Sept. 9
Daily Gilt Edged Bargains	131.1	137.8
Equities Bargains	84.5	76.4
Value	277.2	202.0
5-day Avrge. Gilt-Edged Bargains	140.1	141.2
Equities Bargains	78.7	77.3
Value	272.1	261.4

NEW HIGHS AND LOWS FOR 1981

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1981

NEW HIGHS (42)

BRITISH FUNDS (1)
Exchqr. 8¼pc 1983

AMERICANS (2)
Colt Inds. Zapata Corp.

BEERS (2)
Bulmer (H. P.) Clark (M.)

BUILDINGS (4)
Finlan (John) Tilbury Contracting
Nott Brick Tunnel B

CHEMICALS (1)
Hoechst

ELECTRICALS (3)
Telefusion BSR
Do. A N-V

ENGINEERING (2)
Ductile Steels Lane (Percy)

FOODS (2)
Batleys York. Tavener Rutledge

INDUSTRIALS (6)
BOC Int. Francis Inds.
Biddle Hoskins & Horton
Blundell-Permoglaze Metal Closures

MOTORS (4)
Herman Smith Appleyard
Adams & Gibbon Lex Service

PROPERTY (1)
Carlton Real

SOUTH AFRICANS (1)
Rex Trueform A

TEXTILES (1)
Lyles (S.)

MINES (12)
Grootvlei President Brand
Kinross St. Helena
Buffels. Unisel
Kloof Gold Gencor
Southvaal Gold Fields S.A.
Ventersport Lydenburg

NEW LOWS (30)

CANADIANS (1)
Hollinger

BANKS (1)
Guinness Peat

BUILDINGS (2)
Brown & Jackson Vectis Stone

STORES (1)
Executex

ELECTRICALS (2)
Hemokinetics Utd Electronic

FOODS (1)
Barrow Milling

HOTELS (1)
Mount Charlotte

INDUSTRIALS (5)
Alpine Hldgs. Gieves Group
Change Wares Wood & Sons
Euro. Ferries

PAPER (1)
Ault & Wiborg

PROPERTY (1)
Town & City

OIL & GAS (9)
Double Eagle S. & K. Pet.
Flair Res. Sun (U.K.) Royalty
LASMO Weeks (Bermuda)
Pallisser Res. Do. Pref. (Aust.)
Pict Pet.

MINES (5)
Cultus Pacific Hemerdon
Metals Exploration SPO Minerals
North West Mining

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	63	—	29	146	90	224
Corpns. Dom. and Foreign Bonds	11	1	58	33	34	283
Industrials	246	209	914	831	1,435	4,580
Financial and Props.	94	56	352	235	783	1,492
Oils	23	30	49	75	184	251
Plantations	3	6	14	12	28	75
Mines	57	29	62	298	168	374
Others	59	39	101	220	266	510
Totals	556	370	1,599	1,850	2,988	7,789

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section

	Equity groups & sub-sections	Fri., Sept. 11, 1981 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs. Sept. 10 Index No.	Wed. Sept. 9 Index No.	Tues. Sept. 8 Index No.	Mon. Sept. 7 Index No.	Year ago (approx.) Index No.	1981 High	1981 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (214)	362.57	+0.8	10.03	4.35	12.27	359.53	360.68	364.69	364.80	296.77	380.30 (28/8)	272.28 (15/1)	380.30 (28/8/81)	50.71 (13/12/74)
2	Building Materials (25)	322.96	+0.9	14.32	5.30	7.93	319.96	320.32	320.94	321.20	261.27	334.34 (1/5)	236.82 (13/1)	334.34 (1/5/81)	44.27 (11/12/74)
3	Contracting, Construction (28)	583.22	+0.3	16.27	4.89	7.14	581.65	579.52	583.71	587.90	430.48	610.27 (30/4)	405.39 (8/1)	610.27 (30/4/81)	71.48 (2/12/74)
4	Electricals (30)	1181.60	+0.8	7.69	2.36	16.21	1172.73	1179.87	1203.08	1202.93	915.94	1266.15 (28/8)	888.13 (15/1)	1266.15 (28/8/81)	84.71 (25/6/62)
5	Engineering Contractors (10)	501.62	+0.3	12.74	5.44	9.24	500.34	510.49	500.45	502.83	350.37	512.20 (30/4)	374.44 (20/1)	512.20 (30/4/81)	64.39 (2/1/75)
6	Mechanical Engineering (69)	206.81	+0.7	11.58	5.48	11.14	205.32	205.87	207.84	208.19	187.26	230.26 (24/4)	162.47 (15/1)	230.26 (24/4/81)	45.43 (6/1/75)
8	Metals and Metal Forming (13)	171.44	+1.4	9.28	6.93	14.14	169.11	169.44	171.05	168.26	168.91	182.17 (1/5)	127.24 (14/1)	192.29 (4/5/79)	49.65 (6/1/75)
9	Motors (21)	106.48	+2.1	1.60	6.50	—	104.25	103.52	103.38	102.64	103.91	112.76 (1/5)	84.57 (23/1)	170.59 (15/1/69)	19.91 (6/1/75)
10	Other Industrial Materials (18)	385.04	+1.1	8.46	5.86	14.47	380.74	380.80	384.71	385.89	0.00	405.13 (14/8)	277.55 (15/1)	405.13 (14/8/81)	277.55 (15/1/81)
21	CONSUMER GROUP (195)	285.43	+0.5	12.00	5.63	10.31	284.11	284.87	286.52	286.41	253.81	296.18 (17/8)	227.50 (14/1)	296.18 (17/8/81)	61.41 (13/12/74)
22	Brewers and Distillers (20)	299.27	+0.8	14.93	6.44	8.05	296.84	299.61	301.21	299.16	298.59	325.16 (16/6)	244.42 (13/1)	325.16 (16/6/81)	69.47 (13/12/74)
25	Food Manufacturing (21)	270.37	+0.1	14.59	6.22	8.27	269.97	271.09	271.79	273.24	223.09	277.87 (3/9)	204.17 (14/1)	277.87 (3/9/81)	59.67 (11/12/74)
26	Food Retailing (14)	561.46	+1.2	8.76	3.16	13.63	555.07	561.43	564.57	566.64	401.33	572.90 (3/9)	440.89 (11/3)	572.90 (3/9/81)	54.25 (11/12/74)
27	Health and Household Products (7)	349.81	+0.1	7.92	4.22	15.08	349.41	349.98	352.91	357.21	240.88	363.73 (3/9)	245.38 (14/1)	363.73 (3/9/81)	175.38 (28/5/80)
29	Leisure (22)	448.41	+0.7	8.88	4.87	13.99	445.23	444.64	447.87	448.29	350.03	476.41 (14/8)	327.38 (16/1)	476.41 (14/8/81)	54.83 (9/1/75)
32	Newspapers, Publishing (12)	491.71	+0.4	12.20	6.02	11.87	489.91	488.80	489.99	494.41	437.40	526.15 (11/5)	419.04 (15/1)	526.15 (11/5/81)	55.08 (6/1/75)
33	Packaging and Paper (13)	144.77	−0.5	13.77	7.31	8.70	145.51	146.10	147.83	147.62	130.73	161.79 (1/5)	108.85 (14/1)	161.79 (1/5/81)	43.46 (6/1/75)
34	Stores (44)	264.36	+0.2	10.92	5.03	12.22	263.90	264.21	266.74	265.21	246.85	294.06 (30/4)	238.15 (15/1)	294.06 (30/4/81)	52.63 (6/1/75)
35	Textiles (23)	160.22	—	7.27	5.70	19.78	160.24	160.54	161.40	161.96	120.39	172.84 (30/4)	122.37 (19/1)	235.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	270.83	+1.7	18.76	9.22	6.24	266.38	262.90	261.24	259.27	240.29	271.22 (28/8)	193.57 (19/1)	339.16 (2/8/72)	94.34 (13/6/62)
39	Other Consumer (16)	280.46	−0.9	4.34	6.03	58.98	282.99	284.07	284.14	285.04	0.00	311.40 (1/5)	231.28 (4/2)	311.40 (1/5/81)	231.28 (4/2/81)
41	OTHER GROUPS (79)	231.82	+0.4	10.81	6.15	11.82	231.01	227.93	228.47	228.77	229.91	249.19 (30/4)	203.48 (13/3)	249.19 (30/4/81)	58.63 (6/1/75)
42	Chemicals (15)	293.70	+0.7	5.68	6.19	28.90	291.57	283.04	283.97	283.85	322.49	320.04 (30/4)	235.35 (13/3)	329.77 (4/5/79)	71.20 (1/12/74)
44	Office Equipment (5)	114.57	+1.5	14.45	7.46	8.37	112.88	112.87	112.87	112.54	105.51	129.79 (22/4)	93.19 (14/1)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping and Transport (13)	516.99	+0.2	20.49	7.08	5.81	515.92	516.99	521.37	523.80	604.46	644.76 (24/4)	515.92 (10/9)	644.76 (24/4/81)	90.80 (29/6/62)
46	Miscellaneous (46)	305.59	−0.3	12.47	5.49	9.69	306.41	305.27	305.25	306.15	282.62	314.68 (3/9)	249.71 (19/1)	314.68 (3/9/81)	60.39 (6/7/75)
49	INDUSTRIAL GROUP (488)	304.15	+0.6	11.10	5.20	11.17	302.35	302.62	304.87	304.89	264.55	315.22 (17/8)	241.24 (15/1)	315.22 (17/8/81)	59.01 (13/12/74)
51	Oils (12)	708.28	−0.1	20.48	8.13	5.53	708.73	709.36	710.05	712.29	816.61	923.71 (2/1)	653.38 (9/7)	1065.24 (19/11/80)	87.23 (29/5/62)
59	500 SHARE INDEX	336.95	+0.5	12.65	5.69	9.56	335.32	335.61	337.75	337.54	308.36	353.39 (17/8)	290.43 (14/1)	353.39 (17/8/81)	63.49 (13/12/74)
61	FINANCIAL GROUP (119)	269.93	+0.4	—	5.58	—	268.72	268.88	271.49	271.43	254.37	279.45 (1/9)	227.09 (19/1)	279.45 (1/9/81)	55.88 (13/12/74)
62	Banks (6)	277.10	+0.6	32.15	6.77	3.66	275.57	276.22	277.22	276.51	257.70	287.38 (17/7)	220.84 (11/3)	288.32 (20/7/72)	62.44 (12/12/74)
63	Discount Houses (10)	262.93	+0.2	—	8.58	—	262.51	264.92	264.92	265.46	295.56	314.03 (20/3)	262.30 (24/7)	314.03 (20/3/81)	81.40 (10/12/74)
64	Hire Purchase (3)	240.56	−0.5	12.73	7.69	10.87	241.66	244.63	245.72	244.79	234.56	274.53 (25/3)	194.82 (8/1)	433.74 (4/5/72)	38.83 (11/12/74)
65	Insurance (Life) (10)	285.94	+1.8	—	5.44	—	280.83	280.27	286.08	287.93	256.50	298.44 (1/9)	222.74 (7/1)	298.44 (1/9/81)	44.88 (2/1/75)
66	Insurance (Composite) (9)	178.56	+0.2	—	7.39	—	178.16	177.19	178.88	178.84	180.49	188.09 (1/9)	142.06 (19/1)	188.09 (1/9/81)	43.96 (13/12/74)
67	Insurance Brokers (8)	443.91	+1.7	10.03	5.31	13.53	436.40	430.48	432.97	432.44	325.01	443.91 (11/9)	294.21 (20/1)	443.91 (11/9/81)	65.86 (16/12/74)
68	Merchant Banks (13)	164.38	−0.4	—	5.22	—	164.99	166.20	167.50	169.11	146.62	179.36 (2/7)	143.07 (20/1)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (50)	477.18	−0.1	4.04	2.94	33.53	477.57	480.57	487.08	487.23	474.19	517.77 (2/4)	435.73 (16/1)	517.77 (2/4/81)	56.01 (20/4/65)
70	Miscellaneous (10)	182.10	—	17.59	6.13	6.92	182.07	182.11	182.41	179.55	157.88	186.99 (13/8)	165.30 (19/1)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (109)	315.03	+0.4	—	5.07	—	313.75	313.96	316.99	319.05	275.40	332.90 (17/8)	271.01 (23/1)	332.90 (17/8/81)	71.63 (13/12/74)
81	Mining Finance (3)	267.91	−0.2	13.14	5.10	8.96	268.48	266.16	269.31	264.09	263.32	296.26 (14/8)	200.76 (6/2)	296.26 (14/8/81)	66.31 (30/9/74)
91	Overseas Traders (19)	434.44	—	10.73	6.84	11.88	434.25	435.02	437.32	438.23	446.84	488.51 (18/5)	416.40 (4/9)	488.51 (18/5/81)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	323.71	+0.4	—	5.64	—	322.28	322.46	324.82	324.91	298.49	338.64 (17/8)	278.20 (14/1)	338.64 (17/8/81)	61.92 (13/12/74)

FIXED INTEREST

	PRICE INDICES	Fri. Sept. 11	Day's change %	Thurs. Sept. 10	xd adj. today	xd adj. 1981 to date
	British Government					
1	5 years	107.09	+0.10	106.98	—	7.82
2	5-15 years	103.72	+0.39	103.32	—	8.72
3	Over 15 years	104.21	+0.38	103.81	—	10.34
4	Irredeemables	113.67	+0.97	112.58	—	9.05
5	All Stocks	104.69	+0.30	104.38	—	8.88
6	Debentures & Loans	80.85	+0.03	80.83	—	7.67
7	Preference	62.17	+0.03	62.16	—	5.39

	AVERAGE GROSS REDEMPTION YIELDS		Fri. Sept. 11	Thurs. Sept. 10	Year ago (approx.)	1981 Highs	1981 Lows
	British Government						
1	Low	5 years	12.54	12.56	11.61	12.97 (21/7)	11.20 (20/3)
2	Coupons	15 years	13.34	13.36	11.60	13.53 (20/7)	11.86 (20/3)
3		25 years	13.56	13.61	11.68	13.79 (20/7)	11.88 (6/1)
4	Medium	5 years	14.77	14.81	13.82	15.13 (21/7)	12.91 (20/3)
5	Coupons	15 years	15.28	15.34	13.08	15.68 (21/7)	13.32 (20/3)
6		25 years	14.86	14.89	12.87	15.19 (21/7)	13.03 (20/3)
7	High	5 years	14.71	14.73	13.16	15.11 (21/7)	12.93 (20/3)
8	Coupons	15 years	15.45	15.50	13.42	15.77 (21/7)	13.54 (20/3)
9		25 years	15.08	15.12	13.05	15.38 (21/7)	13.15 (20/3)
10	Irredeemables†		13.11	13.22	11.24	13.22 (10/9)	11.35 (20/3)
11	Debs & Loans	5 years	15.88	15.97	13.96	16.02 (10/8)	13.80 (27/3)
12		15 years	16.04	16.04	13.84	16.19 (21/7)	14.16 (27/3)
13		25 years	16.09	16.07	13.73	16.21 (21/7)	14.25 (27/3)
14	Preference†		15.82	15.83	14.45	16.39 (18/8)	14.29 (27/3)

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	*Miscellaneous Financial*	31/12/70	128.06
Other Consumer	31/12/80	238.14	Food Manufacturing	29/12/67	114.13
Health/Household Prods.	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Engineering Contractors	31/12/71	153.84	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Office Equipment	16/1/70	128.20	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 26½p.

FT UNIT TRUST INFORMATION SERVICE

OFFSHORE & OVERSEAS—contd.

Clive Investments (Jersey) Ltd.
P.O. Box 86, St. Peter Port, Guernsey. 0481 26521
C. H. Gilt Growth Fd.* £9.34 9.74 ..... 3.59
Clive Gilt Fd. (C.I.) £7.88 8.22 ..... 16.06
*Prices on September 10. Next dealing September 17.

Cornhill Ins. (Guernsey) Ltd.
P.O. Box 157, St. Peter Port, Guernsey
Intnl. Man. Fd. 255.5 278.0 ..... —

Cortexa International
10a, Boulevard Royal, Luxembourg.

Guinness Mahon Fd. Mgrs. (Guernsey)
PO Box 188, St. Peter Port, Guernsey. 0481 23506.
Intl. Fund $19.94 20.48 ..... 11.20
Prices at August 27. Next dealing September 24.

Hambro Pacific Fund Mgmt. Ltd.
2110, Connaught Centre, Hong Kong
Far East Sept. 9 HK$26.32 28.24 ..... —
Japan Fund Sept. 11 US$10.49 11.26 −0.38 —

Hambros Fd. Mgrs. (C.I.) Ltd.
P.O. Box 86, Guernsey. 0481-26521
†Capital Reserve Fd. £13.56 13.57 ..... 0.24
C.I. Fund 214.6 228.5 ..... 3.39
Special Sits. Fund 80.5 84.8 ..... 3.05
Trans. Nat. Trust 90.969 1.020 ..... 2.94
Intnl. Bond US$103.12 103.28 ..... 10.11
Int. Equity US$16.06 16.91 ..... 1.05

Management International Ltd.
Bk. of Bermuda Bldg., Bermuda. 809-295-4000
Bda. Intl. Bd. Fd. (Cap) US$11.79 ..... —
Bda. Intl. Bd. Fd. (Inc) US$10.30 ..... 12.00
Prices Aug 28. Next dealing Sept 7.

Midland Bank Tst. Corp. (Jersey) Ltd.
28-34, Hill St., St. Helier, Jersey. 0534 36281

Schroder Mngt. Services (Jersey) Ltd.
P.O. Box 195, St. Helier, Jersey. 0534 27561
Sterling Money Fd. £11.2091 ..... —
Next subscription day September 16.

J. Henry Schroder Wagg & Co. Ltd.
120, Cheapside, EC2. 01-588 4000.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Am. Gth. Tst.	64.4	69.3	+0.9	2.09
Abbey Capital	51.3	55.4	+0.2	3.97
Abbey General	60.8	65.7	+0.2	4.67
Abbey Gilt & F.I. Tst.	96.8	101.9xd	+0.6	12.85
Abbey Income	37.9	41.0	.....	8.56
Abbey W'wi.Bd.Tst.	100.4	106.2	+0.1	6.30
Abbey Inv. Ts. Fd.	55.7	60.2xd	+0.1	3.98
Equitas Prog. Tst.	88.1	95.2	+0.5	4.29

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314

AHR Gilt Trust	83.1	87.4xd	+0.2	13.30

Allied Hambro Ltd. (a) (g)
Hambro Hse., Hutton, Brentwood, Essex. 01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	93.7	100.3xd	+0.1	5.21
Brit. Inds. Fund	90.4	96.0	+0.2	5.93
Growth & Income	55.2	59.0	+0.1	4.28
Elect. & Ind. Dev.	49.3	52.8	+0.5	4.55
Allied Capital	105.4	112.8	+0.3	3.90
Hambro Fund	141.4	151.6	+0.3	5.30
Hambro Acc. Fund	200.9	215.0	+0.7	3.81
Income Funds				
High Yield Fd.	67.9	72.6xd	+0.1	8.26
High Income	84.3	90.2xd	+0.2	7.30
Equity Income Fd.	48.8	52.2	+0.1	7.07
Govt. Secs.	23.9	24.9	+0.1	12.65
International Funds				
International	38.6	41.3xd	.....	2.06
Japan Fund	30.6	32.7	-0.3	0.50
Pacific Fund	76.4	81.7	-1.2	1.27
Secs. Of America	87.7	93.8	+1.2	2.56
Specialist Funds				
Smaller Co.'s Fd.	60.2	64.4	-0.1	3.65
2nd Smlr. Co's Fd.	74.5	79.7xd	+0.2	3.76
Recovery	29.3	31.4	+0.1	4.49
Met. Min. & C'dty.	69.5	74.4	+0.1	4.95
Overseas Earnings	80.7	86.3	+0.3	4.75
Exempt Funds				
Income Exempt	53.8	56.5	+0.1	8.05
Far East Exempt	82.6	85.9	-0.8	1.30
Smaller Co. Exempt	100.9	105.9	.....	3.73
U.S.A. Exempt	137.6	143.1xd	+1.8	2.59

Anderson Unit Trust Managers Ltd.
158, Fenchurch St., EC3M 6AA. 623 9231

Anderson U.T.	72.7	78.2	.....	3.14

Ansbacher Unit Mgmt. Co. Ltd.
1, Noble St., EC2V 7JA. 01-726 4931

Inc. Monthly Fund	163.0	173.0xd	.....	9.96
Leics.&Gen.Fd.	55.5	58.5	.....	6.82

Anthony Wieler Unit Tst. Mgmt. Ltd.
19, Widegate St., London, E1 7HP. 01-247 8827

Wieler Gwth Fd. Inc.	43.0	45.30xd	.....	2.40
Do. Accum.	55.30	58.20xd	.....	2.40

Arbuthnot Securities Ltd. (a)(c)
37, Queen St., London, EC4R 1BY. 01-236 5281

Capital†	36.1	39.3	-0.3	—
Commodity***	91.4	100.4	.....	2.10
(Accumulation)	144.4	157.3	.....	2.10
(10% Withdrawal)	66.4	72.3	.....	2.10
Eastern & Internat'l†	53.8	58.5	.....	1.00
(6% Withdrawal)	35.8	39.0xd	.....	1.00
Extra Income	83.8	91.3	+0.2	10.36
(Accumulation)	105.4	114.8	+0.2	10.36
Finance & Property*	24.7	26.9xd	-0.2	3.93
Foreign††	134.9	148.3	+0.2	1.00
Giants	49.3	53.7	+0.7	2.72
(Accumulation)	65.6	71.5	+1.0	2.72
Gilt & Fixed	37.5	39.9xd	.....	12.97
(Accumulation)	42.8	45.5xd	.....	12.97
Growth	42.7	46.5	+0.4	3.11
(Accumulation)	57.0	62.1	+0.6	3.11
High Income	35.3	38.4	+0.1	9.36
(Accumulation)	62.3	67.7xd	.....	9.36
(8½% Withdrawal)	46.8	51.0xd	.....	9.36
High Yield	38.8	42.2xd	.....	11.41
(Accumulation)	72.8	79.3xd	.....	11.41
North American††	35.0	38.1	.....	1.00
Preference	19.0	20.7	.....	14.65
(Accumulation)	39.7	43.2	.....	14.65
Smaller Companies	38.1	41.5	.....	2.96
(Accumulation)	38.1	41.5	.....	2.96

Dealings: †Tues. *Wed. ††Thurs. ***Friday.

Archway Unit Tst. Mgs. Ltd.(a)(c)
317, High Holborn, WC1V 7NL. 01-831 6233

Archway Fund	121.7	130.2	.....	5.31

Prices Sept. 10. Next sub. day Sept. 17.

Craigmount Unit Tst. Mgrs. Ltd.
Bucklersbury, London EC4N 8BD. 01-248 4984

High Income	35.1	38.4	.....	11.89
North American	64.9	70.1xd	+1.3	2.40
Canadian Exempt*	77.3	82.8	.....	2.81
Canadian Trust	65.9	71.2	+0.4	2.50
Mid Market High Inc.*	44.7	47.3	.....	10.18
Recovery	56.5	61.7	-0.3	6.95
Gilt Trust	39.5	41.4xd	+0.1	14.00

*Weekly dealing day Wednesday.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3 031-226-4931

Cres. Amer. Fd.	43.5	46.9	+0.7	0.53
Cres. Internat'l.	93.2	100.4	-0.1	1.49
Cres. High. Dist.	44.6	48.1	+0.1	9.36
Cres. Reserves	53.6	57.8xd	+0.3	5.19
Cres. Tokyo	40.2	44.4xd	-0.5	0.26

Dartington Unit Trust Mngt. Ltd.
Bridge Chambers, Barnstaple, Devon 0271 76324

Total Perf Unit Tst.	23.1	24.8	.....	7.09

Discretionary Unit Fund Managers
36/38 New Broad St, EC2M 1NU. 01-638 4485

Disc. Inc. Sept. 11	257.8	275.0	-5.2	4.75

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	18.8	20.9xd	.....	8.30
Gt. Winchester O'seas	30.8	34.2xd	.....	3.40

For Exeter and Dudley see Robert Fraser Tst. Mgmt.

Equity & Law Un. Tr. M. (a) (b) (c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	97.1	102.2	+0.6	4.32

Fidelity International Management Ltd.
62-63 Queen St, London EC4 1AD 01-248 4892

American	39.2	42.2	+0.5	0.39
Amer. Spec. Sits	29.4	31.7	+0.8	0.03
Gilt & Fixed Int.	22.9	24.0	.....	13.32
Growth & Income	35.2	37.9	+0.1	6.78
Max. Inc. Eq. Tst.	30.0	32.3xd	+0.1	8.27
Special Sits.	42.2	45.4xd	+0.1	1.19

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	39.2	42.1	.....	1.30
Accum. Units	48.7	52.4	.....	1.30
J. Finlay High Income	37.9	40.7	.....	8.85
Finlay Wld. Energy	19.0	20.4	+0.3	1.31
Accum. Units	24.6	26.4	+0.4	1.31
J. Finlay Fd.In.Tst.	42.6	45.8	.....	4.03
Accum. Units	55.2	59.3	.....	4.03

Prices on Sept. 2. Next dealing Sept. 9.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

Amer. & Gen.	91.0	97.2xd	+0.8	0.92
Am. T'around	83.4	89.0	+1.6	1.64
(Accum. Units)	83.4	89.0	+1.6	1.64
Capital Tst.	68.0	72.6	+0.2	4.59
(Accum. Units)	71.8	76.6	+0.2	4.59
Convertible & Gilt	48.0	50.4	.....	10.08
(Accum. Units)	49.0	51.4	.....	10.08
Extra Income Trust	54.2	57.8xd	.....	8.82
Income Tst.	45.4	48.4	+0.2	6.66
Int. Growth Fd.	72.4	78.4	+0.8	1.22
(Accum. Units)	78.0	83.4	+0.8	1.22

Robert Fraser Trust Mgt. Ltd.
28b Albemarle St., W.1. 01-493 3211

Robt. Fraser Ut. Tst.	81.5	87.7	.....	6.00

Friends' Provdt. Trust Mgrs. (a) (b) (c).
Pixham End, Dorking. 0306 5055

Friends Prov. Units	69.7	74.5	.....	4.06
Do. Accum.	101.9	108.9	+0.2	4.06

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital Sept. 3	158.5	163.6	.....	4.32
Gross Inc. Sept. 3	81.7	84.0	.....	11.66
High Yield Sept. 3	97.0	99.6xd	.....	10.58

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.
16, Finsbury Circus, EC2M 7DJ. 01-628 8131

G.T. Cap. Income	160.0	172.0	+1.6	2.60
Do. Acc.	207.4	223.0	+2.1	2.60
G.T. Inc. Fd. Un.	228.7	245.9	+1.2	8.00
G.T. U.S. & Gen.	227.6	244.7	.....	1.40
GT Wld. Bd. Fd.	104.1	108.4	+0.4	7.20
G.T. Japan & Gen.	128.2	137.8	-3.0	0.80
Gt. Pens. Ex. Fd.	393.7	403.8	-6.7	2.20
G.T. Int'l. Fund	268.3	288.4xd	-1.7	1.40
G.T. Far East & Gen.	108.0	116.1	-0.4	1.50
G.T. Tech. & Gth. Fd.	93.0	99.9	+1.8	0.50

G. & A. Trust (a) (g)
5 Rayleigh Road, Brentwood (0277) 227300

G. & A.	46.8	50.0	+0.2	5.00

Gartmore Fund Managers (a)(g)
2 St. Mary Axe, EC3A 8BP 01-623 6114
Dealing only: 01-623 5766/5806

American Trust	44.1	47.4	+0.5	0.42
British Tst. (Acc.)	107.2	115.3xd	-0.3	3.59
British Tst. (Dist.)	104.2	112.1xd	-0.3	3.59

[illegible]

INSURANCE PROPERTY BONDS

[illegible]

Refuge Investments Limited
103 Oxford St., Manchester 061-236 9432

Managed	98.8	104.4	.....	—
Property	97.1	102.3	.....	—

Reliance Mutual
Tunbridge Wells, Kent. 0892 22271

Prop Fd. (1st Issue)	—	323.2	.....	—
Prop Fd. (2nd Issue)	100.7	106.0	.....	—
Managed Fd.	96.9	102.0	-0.1	—

Rothschild Asset Management
St. Swithins Lane, London EC4. 01-626 4356

N.C. Prop.	165.9	176.5	.....	—

Next sub. period Sept 30/Oct 15

Royal Insurance Group
New Hall Place, Liverpool. 051-227 4422

Royal Shield Fd.	209.7	221.8	.....	—

Save & Prosper Group
4, Gt.St.Helen's, Lndn., EC3P 3EP. 01-554 8899

Bal. Inv. Fd.	179.3	189.8	+0.2	—
Property Fd.*	229.1	242.5	.....	—
Gilt Fd.	144.3	152.7	+0.3	—
Deposit Fd.†	158.9	168.2	.....	—
Man. Pens. Fd.	328.7	347.9	.....	—
EquityPens.Fd.	329.1	348.3	+1.0	—
Prop.Pens.Fd.*	446.8	472.9	.....	—
Gilt Pens. Fd.	121.7	128.8	+0.1	—
Depos.Pens.Fd.†	147.6	156.2	.....	—

*Prices on Sept. 9. †Weekly Dealings.

Schroder Life Group
Enterprise House, Portsmouth. 0705 27733

Equity	339.3	357.3	+0.9	—
Fixed Int.	161.5	170.1	+0.4	—
Managed	189.0	199.1	+0.4	—
Money	136.5	143.8	+0.1	—
Overseas	120.8	127.2	+0.2	—
Property	229.0	241.2	.....	—
CCM Vanguard	132.6	139.7	+0.3	—
K & S Govt. Secs.	135.9	143.1	+0.3	—
Income Distrib.	107.0	112.8	+0.3	—
Income Accum.	120.0	126.4	+0.2	—
Capital	110.4	116.3	+0.5	—
General	110.7	116.6	.....	—
Europe	96.5	101.6	+1.0	—
Smaller Co's.	110.1	116.0	-0.6	—
American	106.9	112.7	.....	—
Tokyo	115.8	122.0	-0.3	—
Gilt & Fxd. Int.	90.3	95.2	+0.4	—
Australian	103.3	108.8	-0.4	—
B.S. Pen. Cap	156.1	174.5	.....	—
B.S. Pen. Acc.	199.7	209.8	.....	—
Equity Pension Cap.	153.3	161.4	.....	—
Equity Pension Acc.	170.6	179.7	.....	—
Mngd. Pen. Cap.	309.3	325.7	.....	—
Mngd. Pen. Acc.	407.6	429.2	.....	—
F. Int. Pen. Cap.	110.1	116.0	.....	—
F. Int. Pen. Acc.	123.2	129.7	.....	—
Money Pen. Cap.	128.8	135.7	.....	—
Money Pen. Acc.	143.8	151.5	.....	—
Prop. Pen. Cap.	167.2	176.1	.....	—
Prop. Pen. Acc.	186.2	196.1	.....	—

Prices for Life Series 4, Sept 11.
Pension Series B, September 8. Other prices on request.

[illegible]

Welfare Insurance Co. Ltd.
Winslade Park, Exeter. 0392-52155

Moneymaker Fd.		125.0	-1.5	—

For other funds, please refer to The London & Manchester Group.

Windsor Life Assur. Co. Ltd.
Royal Albert Hse., Sheet St., Windsor 68144

Investor Units	113.0	118.9	.....	—
Accum. Pen. Units	177.4	186.4	.....	—
Flex. Inv. Growth	132.0	138.9	.....	—
Future Assd Growth	26.0(a)	54.00(a)	.....	—
Ret. Ass'd Pen.		£34.24	.....	—

OFFSHORE & OVERSEAS FUNDS

Adig Investment
Postfach 708, 8000 Munich 1, Telex 524269

Adirenta	DM18.07	18.61	+0.01	—
Adiverba	DM49.34	51.81	+0.30	—
Fondak	DM28.27	29.68	.....	—
Fondis	DM23.98	25.10	+0.10	—

Albany Fund Management Limited
P.O. Box 73, St. Helier, Jersey. 0534 73933

Albany $ Fd. (CI)	US$169.59	171.86xd	.....	1.12

Next dealing Sept. 11.

Alexander Fund
37, rue Notre-Dame, Luxembourg.

Alexander Fund		US$11.97	.....	—

Net asset value Sept. 8.

Allen Harvey & Ross Inv. Mgt. (C.I.)
1 Charing Cross, St. Helier, Jsy., C.I. 0534-73741

AHR Dollar Inc. Fd.	US$10.27	10.29	.....	16.07
AHR Gilt Edg.Fd.	£20.72	10.75xd	+0.02	13.29

Alliance International Dollar Reserves
c/o Bank of Bermuda, Hamilton, Bermuda.
Adv.: ACMI, 319 High Holborn WC1. 404 0377
Distribution Sept. 10 0.000446 (17.3% pa).

Arbuthnot Securities (C.I.) Limited
P.O. Box 284, St. Helier, Jersey. 0534 76077

Dollar Income Tst.	US$0.982	1.038	+0.002	—
East Intl. & Energy	138.8	149.7xd	.....	—
Gov't Secs. Tst.(CI)	68.7	71.5xd	+0.1	15.15

Daily Dealings.

Sterling Fd.	129.4	129.5	+0.3	—

Dealing on Wed.

B.I.A. Bond Investments AG
10, Baarerstrasse CH6301, Zug, Switzerland

Bearer Sfr. (Aug. 20)	9,700	10,200	.....	

[illegible]

Bondselex	SF111.55	117.20	.....	—

Capital Asset Managers Ltd.
Bermuda Hse., St. Julians Ave., St. Peter Port, Guernsey C.I. 0481 26268

The Currency Trust	115.0	120.0	.....	—

Capital International Fund S.A.
43, Boulevard Royal, Luxembourg

Capital Int. Fund		US$26.64	.....	—

Central Assets Management Ltd.
Channel Hse., St. Helier, Jersey. 0534-73673

Central Assets	£198.45	198.50	+0.05	—

Charterhouse Japhet
1 Paternoster Row, EC4 01-248 3999

Emperor Fund	$8.02	8.42	.....	—
Hispano	$45.16	47.44	+0.77	6.05

*Prices at Aug. 31. Next sub. day Oct. 1

Chawton Commodities (Isle of Man) Ltd.
29, Athol Street, Douglas, I.o.M. 0624 21724

Normandy Metal Trust	1.3922	1.4654	.....	4.00
Normandy Com Tst.	1.3083	1.3771	.....	4.00

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
99⅔	99⅛	Treas. Variable '81‡‡	99⅔	.....	13.60	13.44
100¹⁄₁₆	99⅛	Exch. 12¾pc 1981‡‡	99⅛	.....	12.78	13.35
98⅜	95⅜	Treas. 8½pc '80-82‡‡	98⅜	.....	8.65	13.44
96⅜	91⅞	Treasury 3pc '82‡‡	96⅜	.....	3.11	11.97
107	99¾	Treasury 14pc '82‡‡	100⅜xd	....	13.92	12.93
99¹¹⁄₁₆	98⅜	Treas. Variable '82‡‡	99¹¹⁄₁₆	.....	13.62	13.87
96⅞	93¹¹⁄₁₆	Treasury 8¼pc '82	96¼	+⅛	8.57	13.20
96⅜	93⅞	Exch. 9¼pc 1982	96xd	+⅛	9.64	13.60
95¼	92⅝	Exch. 8¾pc 1983	95¼	+⅛	9.19	12.71
92⅞	84⅞	Exch. 3pc 1983	91¾	.....	3.27	9.24
99⅜	95⅞	Treasury 12pc 1983‡‡	97⅝xd	.....	12.29	13.84
99½	96¾	Treas. Variable '83‡‡	99½	.....	13.65	13.85
94⅛	91¼	Treasury 9½pc '83	93⅝	.....	9.88	13.22
101⅜	97⅞	Exch. 13½pc '83	98⅞	.....	13.65	14.82
94⅛	91¼	Exch. 10pc 1983	92¼	.....	10.78	13.81
88	84½	Funding 5½pc '82-84‡‡	87½	.....	6.29	11.73
96¼	92⅞	Exch. 11¼pc 1984	94	.....	11.97	14.20
103⅜	98¼	Exchequer 14pc. 1984	99¼	.....	14.11	14.29
82⅝	76½	Exch. 3pc 1984	81⅛	.....	3.70	11.11
98⅜	92⅞	Treasury 12pc 1984	94⅜xd	.....	12.72	14.37
107¼	100⅞	Treasury 15pc 1985	101⅞	.....	14.72	14.25
98⅞	91⅝	Exch. 12pc Cnv. '85	93¼xd	.....	12.89	14.59
76	73¼	Treasury 3pc 1985	74⅛	.....	4.01	11.58
96⅜	89⅞	Treasury 11½pc. 1985	90⅞	.....	12.65	14.65
98⅞	91⅞	Exch. 12¼pc 1985	92¾	.....	13.21	14.57
97⅛	89¼	Exch. 11¾pc '86	91	.....	12.91	14.54
70⅜	68	Treasury 3pc 1986	69⅜	.....	4.32	11.67
97⅝	90	Treasury 12pc '86	91	.....	15.19	14.67
88⅞	81¼	Treasury 8½pc '84-86‡‡	82⅞	.....	10.32	13.58

Five to Fifteen Years

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
103⅞	94¼	Exch. 13¼pc 1987	98¼	+¼	13.76	14.22
81¼	75	Funding 6½pc '85-87‡‡	77⅞	+⅜	8.61	12.73
99½	89⅜	Treas. 12pc 1987	93½	+¼	13.47	14.73
81⅛	74⅜	Treasury 7¾pc '85-88‡‡	77	+¼	10.21	13.43
65½	59⅛	Transport 3pc '78-88	62½	+⅛	4.85	11.14
92¼	80½	Treasury 11½pc 1989	83⅞	+⅜	13.83	15.35
67¼	61¼	Treasury 5pc '86-89	63¼xd	+¼	7.85	12.20
101½	88⅝	Treasury 13pc 1990‡‡	94	+½	14.16	14.78
95⅜	84⅜	Exch. 12½pc 1990	86xd	+¼	14.49	15.47
80⅞	72⅞	Treasury 8¼pc '87-90‡‡	74⅞	+¼	11.33	13.65
93⅛	80¾	Treasury 11¾pc 1991	83⅞	+⅜	14.37	15.48
66¼	60⅛	Funding 5¾pc '87-91‡‡	60½xd	+⅛	9.45	13.04
90	78⅞	Exch. 11pc 1991	82⅛	+¼	14.13	15.37
98⅜	85¼	Treasury 12¾pc '92‡‡	88½	+⅜	14.72	15.34
82⅞	71½	Treasury 10pc 1992	74¼	+⅜	13.59	15.09
94⅜	80⅞	Exch. 12¼pc '92	83⅞	+⅜	14.72	15.47
101⅜	87⅞	Exchequer 13½pc '92	88⅞xd	+¼	15.14	15.59
96¾	83¼	Treasury 12½pc '93‡‡	86⅝	+⅜	14.79	15.36
63⅞	56⅞	Funding 6pc 1993‡‡	57⅞xd	+⅛	10.46	13.16
105¼	91⅛	Treasury 13¾pc 1993‡‡	94⅛	+⅜	15.22	15.51
107¼	92⅞	Treasury 14½pc '94‡‡	95¼	+⅜	15.31	15.47
104¼	90⅛	Exchequer 13½pc 1994	93½	+¼	15.28	15.63
95⅝	81½	Exch. 12½pc 1994	84⅝	+⅜	14.95	15.46
79¼	68⅞	Treasury 9pc '94‡‡	71⅛	+¼	13.20	14.45
92⅞	79½	Treasury 12pc '95	82⅝	+⅜	14.62	15.37
51¼	45⅛	Gas 3pc '90/95	45¼	.....	6.72	10.88
83	71¼	Exch. 10¼pc 1995	73⅝	+⅛	14.22	15.10
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

[illegible]

Building Societies

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

1981 High	1981 Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
106	39	Hoskins & H 20p	106	+6	2.0	—	2.7	—
76	48	Howard Tenens	64	+1	1.55	0.6	3.5	71.0
420	250	Hunting Assoc.	305	–2	5.0	5.8	2.3	7.7
160	112	Huntleigh 10p	128	–3	†1.5	4.2	6.5	15.4
226	120	Hutch Whamp $HK1	169	+3	†034c	ϕ	1.9	ϕ
15	11½	Hyman (I. & J.) 5p	13	–½	0.83	3.9	9.1	3.2
£20½	£12⅝	I.C. Industries$1	£17½	......	Q$2.20	—	7.0	—
70	26	ICL	51	......	‡2.97	—	‡	—
44	35	Ingall Inds. 10p	40½	......	†2.5	1.6	8.8	11.2
251	188	Initial Services	246	......	9.0	2.3	5.2	11.3
23	9	Inter-City 20p	17	......	—	—	—	—
85	39	J. B. Holdings 10p	83	......	3.0	4.9	5.2	5.4
192	120	Jacksons Bourne	183	+3	5.0	1.4	3.9	27.0
27	12	James (M.) Ind. 10p	26	......	1.0	3.3	5.5	6.1
248	147	Jardine M. $HK5	171	+1	Q88c	2.8	4.8	10.6
25½	16½	Jentique	18½	+½	‡1.03	—	‡	—
10	6½	Johnson & Barnes	7#	......	—	—	—	—
257	152	Johnson Clnrs.	242xd	......	†7.0	3.4	4.1	7.9
*300	186	Johnson Mthy. £1	285	+5	9.5	2.3	4.8	(10.5)
92	75	Jourdan (T.) 10p	84xd	–2	5.25	1.8	8.9	8.7
81	53	Kalamazoo 10p	53	......	‡3.75	1.4	‡	8.7
170	136	Kelsey Inds.	139	......	‡8.0	4.7	8.2	3.7
148	112	Kennedy Sm. 10p	144xd	......	4.38	ϕ	4.3	ϕ
330	250	Kershaw (A.) 5p	270	......	21.75	0.6	11.8	(25.0)
75	54	Kleen-E-Ze Hldgs.	60	......	5.5	0.7	13.1	(07.9)
75	59	L.C.P. Hlds	68	+2	4.3	1.8	9.0	(08.8)
48½	37	L.R.C. Int. 10p	46	......	2.5	1.6	7.8	10.4
56	42	Lawtex	42	......	‡4.0	1.8	‡	(21.0)
178	116	Lead Inds. 50p	172	+4	9.66	1.2	8.2	14.1
80	55	Leadenhall Sterling	73	......	3.5	2.8	6.8	6.7
330	310	Lep Group 10p	320xd	......	16.5	2.1	7.4	7.5
28	13	Lesney Prods. 5p	20	–1	—	—	—	—
148	73	Letraset 10p	143	+2	†7.14	0.7	7.4	(26.3)

INSURANCE—Continued

1981 High	1981 Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
241	180	Stewart Wr. 20p	235	+2	12.0	1.3	7.3	13.6
£10⅛	688	Sun Alliance £1	980	–4	†33.0	—	4.9	—
344	233	Sun Life 5p	343	+6	g9.0	—	3.8	—
758	543	Taisho Mar. EDR	660	–5	Q010%	—	0.2	—
208	185	Trade Indemnity	205	......	16.34	—	4.5	—
£27½	£15¾	Travelers $2.50	£23⅝	+⅛	Q$2.08	—	6.8	—
400	257	Willis Faber	400	......	12.0	2.0	4.3	16.7

LEISURE

1981 High	1981 Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
63½	56½	A-R TV Pref. £1	56½	......	5.95	ϕ	15.0	—
93	72	Anglia TV 'A'	91	......	†5.0	4.6	7.8	3.2
148	99	Assoc. Leisure 5p	99	–1	5.25	2.2	7.6	7.1
84½	61	Barr & W.A.T. 'A'	67	......	3.0	—	6.4	—
65	30	Black Edgtn. 50p	58	+3	1.0	—	2.5	—
192	121	Boosey & Hawkes	148	......	5.67	—	5.5	—
56	34	Campari Int. 20p	42	......	‡4.0	1.7	‡	(5.4)
60	37	Fairline Boats 10p	37	......	‡t3.5	1.2	‡	9.2
58	29	Gaga Pavilion 10p	35½	......	—	—	—	—
46	38	Grampian TV A 10p	38	......	2.75	2.4	10.3	5.7
103	74	HTV Non/Vtg.	92	......	10.0	2.2	15.5	4.4
104	64	Hawley Leisure	74	......	†t2.67	2.9	5.2	(9.4)
*294	117	Horizon	264xd	–1	t5.0	5.1	2.7	14.6
96	69	Hunterson 10p	87	......	g2.8	4.5	4.6	5.8
64	29	††Intervision 10p	42	–1	—	—	—	—
27	15	Lancaster (D. M.) 5p	20	......	0.41	2.2	3.0	14.6
110	88	LWT "A"	107	......	10.07	1.8	13.4	(5.1)
216	143	Mngmt. Ag. M. 10p	143	......	8.75	2.8	8.7	4.7
69	47	Medminster 10p	67	......	†2.7	3.9	5.8	6.1
12	8	††Nationwide 5p	9	......	—	—	—	67.6
50	30	Norton & Wr. 10p	35	......	d1.0	—	4.3	—
*77	60	Old Swan (Pgate) 10p	68	......	g0.8	1.6	1.7	60.9
13	9	††Pan Atlas 20p	9	......	—	—	—	15.3

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPERS, PRINTING ADVERTISING

INSURANCE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

PROPERTY

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—Continued

Australian

1981 High	1981 Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
45	32	Acmex 50c	42	......	Q2.5c	—	3.7
41	14	ACM 20c	32	......	—	—	—
21	11½	Argosy Gold NL 25c	12	......	—	—	—
229	137	Bond Corp.	174	+4	Q10c	ϕ	3.6
112	76	Bougainville I Kina	102	–1	‡Q25.4c	1.0	‡
302	214	CRA 50c	226	–2	Q19c	1.7	5.1
25	14	Canada Northwest	14	......	—	—	—
35	15	Carr Boyd 20c	17	......	—	—	—
415	46	Central Pacific	45	......	—	—	—
35	12	Cons. Gold Min. N.L. 50c	12	......	—	—	—
47	18	Cultus Pacific N.L.	18	–1	—	—	—
68	22	Eagle Corp. 10c	31	–2	—	—	—
40	26	Endeavour 20c	26#	......	—	—	—
500	310	G. M. Kalgoorlie 25c	500	......	Q32½c	ϕ	4.0
25	8	Great Eastern	10	+1	—	—	—
185	95	Greenbushes Tin 50c	110	+15	Q6c	1.9	3.3
275	175	Hampton Areas 10p	185	......	2.5	3.1	1.9
168	39	Haoma Gold N.L.	40	–2	—	—	—
85	22	Intl. Mining	27	......	—	—	—
118	29	Jimberlana (50c??)	33	......	—	—	—
15	10	Kalbara Min 20c	13	......	—	—	—
245	135	Kitchener NL 25c	210	–5	—	—	—
105	22	Leichhardt Expln.	30	......	—	—	—
430	275	Meekatharra	410	+10	—	—	—
70	45	Metals Ex. 50c	45	–5	903c	ϕ	4.7
38	20	Metramar Mins. 20cts.	23	......	—	—	—
20	10	Mid East Mins. NL	11	......	—	—	—
290	190	M.I.M. Hldgs. 50c	252	+2	Q15c	ϕ	3.7
21	8½	Minefields Expl. 25c	9½	+1	—	—	—

Tins

Copper

Miscellaneous

1981 High	1981 Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
25½	14	Burma Mines 10p	17	......	[illegible]	[illegible]	[illegible]
330	180	Colby Res. Corp.	235	+45	—	—	—
310	200	Cons. Murch. 10c	290	......	tQ30c	1.8	5.9
9½	6	††Explaura Gold	9½	......	—	—	—
98	53	††Hemerdon 10c	53	–5	—	—	—
180	95	Highwood Res.	95	–5	—	—	—
505	300	Northgate C$1	360	+5	—	—	—
633	372	R.T.Z.	550	–2	16.0	3.2	4.3
£130½	£93½	Do. 9⅝% Cv. Ln. '95-2000	£115½	–½	Q9½%	—	(8.1)
103	17½	††SPO Minerals 10p	17½	–2½	—	—	—
47	22	Sabina Inds. C$1	24	–3	—	—	—
44	28	††SW/CM 10p	30	......	—	—	—
585	465	Tara Expln. $1	565	–5	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(5).
- Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- § Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

ϕϕ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. ‡‡ Available only to UK pension schemes and insurance companies engaged in pension business. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or –	IRISH	Price	+ or –
Albany Inv. 20p	46	......	Conv. 9% '80/82	£92½	+⅛
Bertrams	10	......	Nat. 9¾% 84/87	£69¼	......
Bdg'wtr. Est. 50p	465	......	Fin. 13% 97/02	£73⅝xd	......
Craig & Rose £1	£13	......	Alliance Gas	63	......
Finlay Pkg. 5p	22	......	Arnott	225	......
Graig Ship. £1	£21	......	Carroll (P.J.)	78	......
Higsons Brew.	67	......	Concrete Prods.	90	......
Holt (Jos) 25p	520	......	Helton (Hldgs.)	23	......
I.O.M. Stm. £1	167	......	Irish Ropes	44	......
Pearce (C. H.)	560	......	Jacob	66	......
Peel Hldgs.	180	......	T.M.G.	16	–½
Sheff. Refrshmt	92	......	Unidare	75	......
Sindall (Wm.)	194	......			

OPTIONS

3-month Call Rates

Industrials					
A. Brew	6½	House of Fraser	14	Utd. Drapery	6
BOC Intl.	11	I.C.I.	20	Vickers	1[illegible]
B.S.R.	7	"Imps"	7	Woolworths	6
Babcock	11	I.C.L.	6	**Property**	
Barclays Bank	36	Ladbroke	39	Brit. Land	[illegible]
Beecham	18	Legal & Gen.	20	Cap. Counties	[illegible]
Blue Circle	35	Lex Service	10	Land Secs.	[illegible]
Boots	20	Lloyds Bank	28	MEPC	[illegible]
Bowaters	24	"Lofs"	4½	Peachey	[illegible]
Brit. Aerospace	17	London Brick	7	Samuel Props.	[illegible]
B.A.T.	25	Lucas Inds.	18	Town & City	[illegible]
Brown (J.)	9	"Mams"	22	**Oils**	
Burton Ord.	14	Mrks. & Spncr	11	Brit. Petroleum	[illegible]
Cadburys	7½	Midland Bank	26	Burmah Oil	[illegible]
Courtaulds	7	N.E.I.	8	Charterhall	[illegible]
Debenhams	10	Nat. West. Bank	32	KCA	[illegible]
Distillers	17	P & O Dfd.	12	Premier	[illegible]
Dunlop	8½	Plessey	28	Shell	[illegible]
Eagle Star	25	Racal Elect.	34	Tricentrol	[illegible]
F.N.F.C.	3	R.H.M.	5	Ultramar	[illegible]
Gen. Accident	30	Rank Org. Ord.	19	**Mines**	
Gen. Electric	60	Reed Intnl.	25	Charter Cons.	[illegible]
Glaxo	28	Sears	5	Cons. Gold	[illegible]
Grand Met.	18	Tesco	5½	Lonrho	[illegible]
G.U.S. 'A'	44	Thorn EMI	30	Rio T. Zinc	[illegible]
Guardian	30	Trust Houses	15		
G.K.N.	15	Tube Invest.	18		
Hawker Sidd	25	Turner & Newall	19		
		Unilever	50		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 22

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

FINANCIAL TIMES
Saturday September 12 1981

MAN OF THE WEEK

The MOD wanted a Navy man

BY DAVID FISHLOCK

WHEN THE Navy awarded GEC-Marconi the first incentive contract ever negotiated by the Ministry of Defence, in 1977, an important condition was attached. This was that Don Evans would be put in charge of the project.

The immediate project was Sting Ray, a new lightweight torpedo — more accurately, as Evans himself points out, an underwater guided weapon—for the Navy and Air Force.

The big bait for the company was that, as prime contractor, it could become the pivot of a new

Mr Don Evans
Summons meeting at 6 am

British industry in underwater weapon systems, until then dominated internationally by the U.S.

Don Evans, then 56, had been a Navy captain and expert in electronic weapons and warfare before joining Marconi Space and Defence Systems (MSDS). His abilities were well known to Rear-Admiral Tony Murphy, the Navy's project director for Sting Ray. The MOD wanted Evans—and no-one else—as his opposite number if MSDS was to undertake the contract.

Admiral Murphy got Evans. MSDS got a £200m, five-year contract to develop Sting Ray. Evans himself got the job not merely of keeping Sting Ray on schedule and within budget—if he failed, GEC was liable to pick up the extra cost — but also of developing it into a family of British underwater weapons.

At 59, this engineer is still a man of relentless energy, known to summon executives to progress meetings as early as 6 am. He brings to his task experience of the Polaris nuclear submarine programme and, from the early 1970s, responsibility for the Navy's procurement of underwater weapons. Sting Ray, he says, was "far more difficult, far more complex than Polaris."

In 1979, when GEC abandoned plans to make silicon chips at Neston in Cheshire, Evans persuaded Lord Weinstock to let him convert the half-built factory into one of Europe's biggest "clean factories" for assembling and testing underwater weapons.

From the start Evans's plans have reached far beyond Sting Ray, to the much bigger heavyweight torpedo with which Britain's nuclear submarine fleet is armed, and beyond that to other advanced underwater weapons. Since 1976 MSDS has been working on a much faster, deeper-diving, less noisy torpedo than Tigerfish, the heavyweight in service since 1974. This has to be able to catch the Alphas, the new Russian titanium-hulled hunter-killers, reputed to travel at nearly 50 knots.

The company's candidate makes extensive use of Sting Ray technology, notably its intelligence in locating an enemy from the noise he makes, then verifying that it has the right target. The new torpedo has about five times the brain power of Sting Ray.

Evans was never under any illusion that the Navy contract for 770 heavyweight torpedos—worth, in total, perhaps half that of the Sting Ray order—would be a walkover. The Navy has been treating Gould's ADCAP torpedo, under development for the U.S. Navy, as a contender since 1979, and as a spur to MSDS's efforts.

The real worry was that, with the development trials of Sting Ray now ending, he desperately needs the heavyweight to provide work for his large team of engineers and designers, specialising in this very demanding technology.

That was why Gould's offer late last year of a partnership to produce ADCAP was quite unacceptable. No matter how big a slice of a Navy order for ADCAP had remained in Britain — and there was evidence that this would have been substantial — GEC-Marconi would have merely been a sub-contractor for a U.S. weapon. And that is simply not the business of MSDS, as a systems company operating right at the frontiers of engineering design.

TUC plans public sector action this winter

BY JOHN LLOYD

THE public sector has been identified by the Trades Union Congress as the target area in which to attack the Government's policies in the coming winter.

Unions organising more than 2m workers in the public services will try to build an alliance to mount a direct challenge to the Government on pay and cash limits.

In the nationalised industries the Government has been promised industrial action by rail, steel and coal unions, against privatisation, and by general and other workers, against selling gas-showrooms.

The TUC's public services committee will consider later this month a paper examining the possibility of unions in the public sector adopting a common settlement date.

The spread of settlement dates among public service unions was said by Mr Ken Thomas, general secretary of the Civil and Public Services Association, to be the crucial weakness in creation of a joint union campaign, allowing the Government to divide and rule.

Mr Thomas told the final session of the Trades Union Congress in Blackpool yesterday that unions in local government, the National Health Service and the Civil Service should create a Triple Alliance to pursue pay claims. "It would be a formidable force. It would have power," he said.

Mr Gerry Gillman, general secretary of the Society of Civil and Public Servants, said joint action by unions in the public services would mean confronting the law on secondary picketing. He said Congress this week had backed unions who would defy the Employment Act, 1980.

Congress passed an even more militant motion from the National Union of Public Employees. This instructed the General Council to unite all public sector unions—which would include the mineworkers, shipbuilders and BL workers—in a campaign to oppose Government policies.

Mr Geoffrey Drain, general secretary of the National and Local Government Officers Association and chairman of the TUC's public services committee, said however that while the General Council would accept the spirit of the motion the practical realisation of it was difficult.

Leaders of public-sector unions yesterday stressed the problems in attempting to adopt an over-ambitious strategy for action. They believe the Civil Service unions can however build on the alliance which they developed in their action this year, and that some unity could be found between local government, health service and Civil Service unions.

The action threatened on rail and gas privatisation was more specific. Mr Sid Weighell, general secretary of the National Union of Railwaymen, said: "If anyone doubts the ability of the Triple Alliance to stop things dead in Britain, let them just test it." The alliance links miners, steel workers and railwaymen.

He said that if the Government tried to sell British Rail's engineering workshops, ferry fleet and hotels he would not hesitate to use the Triple Alliance.

Both Mr Weighell and Mr John Edmonds, national officer of the General and Municipal Workers Union, agreed unions alone could mount effective action against privatisation. Mr Edmonds said any attempt to sell gas-showrooms would be frustrated.

"The only power now left to defend these public assets is the organised power of the trade unions. In the gas industry we are prepared to use that power," he said.

TUC reports Page 4

Shell and Esso postpone Tern oil field because of tax doubts

BY RAY DAFTER, ENERGY EDITOR

SHELL AND ESSO said yesterday that they have postponed the £750m development of the Tern oil field in the UK sector of the North Sea because of uncertainties about offshore taxation.

The companies, which had planned to start work this year, will not make a decision before mid-1982, by when any new tax structure should be known.

Their decision to postpone development coincided with a statement by Mr Hamish Gray, Minister of State for Energy, who urged oil companies to provide "firm evidence" that the tax system—toughened in the March Budget—was having a damaging effect.

So far, he said, there had only been assertions "rather than firm evidence that otherwise attractive projects are being lost or significantly delayed as a result of the new regime."

In a letter to the UK Offshore Operators' Association — the representative of leading explorers — Mr Gray said the present uncertainties about taxation were largely the "inevitable" consequence of the industry's desire for a review and the Government's willingness to provide it.

Shell and Esso, two of the most active oil companies in the North Sea, are the latest operators to announce a postponement in offshore work because of the industry's unrest about taxation.

Companies have reported the delay of several field development and extension programmes. The Offshore Operators' Association has told the Government that no more exploration blocks should be allocated until tax issues have been clarified.

Shell UK Exploration and Production, the operator of the Shell/Esso group, said that a Tern Field decision would not be taken until it was known how future tax regulations would affect the project's viability. The companies were also awaiting the results of conceptual design and technical studies.

Three preliminary contracts have already been signed. Brown and Root is to undertake the conceptual design of the platform deck facilities. CJB/Earl and Wright are working on the conceptual design of the platform substructure. Foster Wheeler Petroleum Development has been awarded the project services contract.

The Tern Field, 100 miles north-east of the Shetland Islands, is a medium-sized reservoir by North Sea standards. It contains about 140m barrels—enough to meet UK oil requirements for about three months.

Industry reports indicate that the field will yield oil at a peak rate of 60,000 barrels a day—about 3 per cent of projected UK oil production during the late 1980s.

It is expected that Shell will use a lightweight steel platform to develop the field. The oil would be piped to a similar platform in the Shell/Esso group's North Cormorant Field where it would be sent to the Sullom Voe terminal in the Shetland Islands.

UK guarantees Nigeria credit

BY FRANK GRAY

BRITAIN IS prepared to guarantee bank finance credits of £300m for the development of Nigeria's new federal capital, Mr John Stanley, the Housing and Construction Minister, announced in Lagos yesterday.

The facility would be the largest buyer credit for an African market to be backed by the Export Credits Guarantee Department and could be expanded further should "the level of eligible business dictate it," Mr Stanley said.

"This development augurs well both for UK exports generally and for our trade links with Nigeria in particular," he announced following a meeting with President Shehu Shagari.

Mr Stanley was in Nigeria at the head of a British industrialist mission during which he held five days of meetings on construction projects.

The Nigerian Government has set aside approximately £1.9bn for the multi-billion pound capital development project at Abuja in the centre of the country. The British offer is contingent on UK companies winning a share of the contracts.

The first stage of the capital is expected to be completed in Nigeria's 1981-85 development plan with the possibility of government officials moving from Lagos, the present capital, in 1982-83. It is envisaged that Abuja would have a population of 1.6m by the year 2000.

The Milton Keynes Development Corporation has already been appointed consultant for the so-called "accelerated area," one of the first residential parts of the city to be built.

The proposal by Mr Stanley is the first British lending facility to support the Abuja project and details have still to be worked out. However, the ECGD has supported eight separate UK export projects elsewhere in Nigeria this year to a total value of more than £100m.

Among the companies accompanying Mr Stanley on his tour were construction contractors Taylor Woodrow, Balfour Beatty and Costain International; consulting engineers Scott Wilson Kirkpatrick and Partners; the London merchant bank, Morgan Grenfell.

Continued from Page 1

Channel tunnel

most of her attention on the twin issues of reform of the common agricultural policy and permanent arrangements for a more equitable sharing-out of the Community's financial burden, M Mitterrand's priorities were different.

The French President insisted particularly on the need for a wide-ranging European recovery programme—described in French as a "relance europeenne"—a proposal on which he is expected to provide further details at a press conference in Paris on September 24.

M Mitterrand is understood to be thinking of concerted measures by the EEC member states which go much further than just expansionary economic policies, extending to the social, industrial and technological fields.

The British hope now is that, despite the obvious political and philosophical differences between the two leaders a working relationship can be developed of a sort never possible between British Prime Minister and President Giscard d'Estaing, M Mitterrand's predecessor.

Alongside Mrs Thatcher's and President Mitterrand's meeting was a series of bilateral discussions between British ministers, including the Chancellor of the Exchequer, the Foreign Secretary, th Industry Secretary, and the Transport Secretary, and their Frencmh opposites.

Mr Norman Fowler, Transport Secretary, and Mr Charles Fiterman, his French counterpart, agreed that the first meeting betwee nofficials on the Channel Tunnel would take place within a month.

Seven or eight schemes have already been drawn up ranging from a simple rail tunnel costing £800m to a complex giant bridge and tunnel project costing an estimated £3.8bn.

On East-West relations, the Prime Minister said there had been an identity of view on both Poland and on defence matters.

It was up to Poland to determine its own future, but, if either food or financial help was needed, the two governments would do their best to provide it.

Continued from Page 1

Expenses

Revenue or the Stock Exchange Takeover Panel, or all three."

But, he added: "The Inland Revenue will not touch it with a barge pole—it is too hot. It may be left to the DoT."

He then claimed that the company's expenses were running at £750,000 more than they should be and that Mr Threipland had the ability to "cut out the nonsense and double the company's profit."

Mr James, facing up to the prospect of losing his board seat, said "I can't lose. If I go, I am free at last—free of the humbug, nonsense and hypocrisy. It has been driving my wife mad."

He asked the chairman about the suggestion that £200,000 should be provided for pensions for Mr Tony Galliers-Pratt and for the chairman. Mr Friggens said the "Galliers-Pratt pension was underfunded" and he did not want to be vindictive.

Questioned about his own pension contribution of £51,000, in 1980, Mr Friggens said £27,000 of this was required to top up his pension because he was planning to retire at 60 rather than at 65.

Hoover to seek 10% pay cut in January

By Mark Meredith

HOOVER, the domestic appliance concern which is considering widespread cuts in its UK operations has told its 9,000 staff in Britain that it wants them to accept a 10 per cent pay cut from next January.

The company, which is studying proposals which could result in the closure of one or both of its smaller British plants, said the pay proposals put to mass meetings of staff yesterday represented clarifications of its earlier discussion document on measures which might return the company to profitability.

Mr Eddie McAvoy, shop steward at Hoover's Cambuslang plant near Glasgow said the company had also warned there could be no wage increases until 1985 unless there was a return to profitability.

He said other parts of the package, in which Hoover was "holding a gun to our heads," included measures which could reduce sick pay, cut redundancy payments and require compulsory redundancies and a cut in the number of shop stewards conducting negotiations.

Discussion

The company said that the measures were under discussion with the unions, and the results would be passed on to the board of Hoover, which would decide on the future of its UK operations within the year, and possibly within a few months. The measures were still subject to negotiation, a company official stressed.

The U.S. parent of Hoover reported a loss of $2.8m (£1.5m) for the first quarter of this year against a profit of $2.7m in the same period of 1980.

Lay-offs

It has blamed the setback largely on the expenses incurred in lay offs at its British operations which lost £6m in the period against a £1.56m profit in the comparable period of 1980.

The company has three plants in the U.K. At the Cambuslang factory 2,000 workers produce upright vacuum cleaners and a number of small appliances as well as motors for washing machines.

The Perivale works near London employs 1,500 workers producing a small domestic vacuum cleaner, and at Merthyr Tydfyl in Wales produces washing machines and tumble driers. The plant employs 3,500.

Unions hear BA's plans for job cuts

By John Lloyd,
Labour Correspondent

UNION officials representing the workers in British Airways, last night met company officials to learn the full extent of the airline's plans for cuts in its operations.

On Thursday BA announced that it intended to cut 9,000 staff, bring in a one-year pay freeze and reduce its fleet and the number of routes it serves. As union officials left the TUC Congress in Blackpool early yesterday to travel to a meeting of the National Joint Negotiating Committee, independent airlines, led by British Midland Airways, moved to pick up the routes being abandoned by BA.

The unions' joint committee is expected to make a statement on Monday. Union leaders in Blackpool were shocked and angered by the scale of the cuts demanded by the airline.

Mr Larry Smith, executive officer of the Transport and General Workers' Union, said: "It's scandalous that a national airline is being cut back merely to provide greater scope for privatisation in a field that doesn't need it."

He said there still appeared to be some chance of negotiations and union members would have to be consulted. "I hope they can salvage something from the wreckage."

Mr Roy Grantham, general secretary of the white-collar union, Apex, said it was a "very serious position," attributable largely to the effects of Government economic policies.

Apex would also be consulting its membership, he said. "I think the demands are onerous ones to place on our members. We shall be giving them all the support we can to protect their interests."

Michael Donne writes: The scramble by independent airlines to pick up routes abandoned by BA started yesterday when British Midland Airways the independent regional airline said it would be ready to apply for licences from Birmingham to such places as Brussels, Zurich and Milan.

THE LEX COLUMN

Acrid fumes from Guinness Peat

Guiness Peat's share price has been sliding down in the last few days and the preliminary figures show why. Profits after tax and minorities are down from nearly £9m to £2.1m and the non-banking business actually made a loss in the second half of the year. The overall dividend has been cut by more than two fifths and is still less than 80 per cent covered by reported earnings.

It was always clear that commodity trading profits had reached an exceptional level in the previous year, when they rose fivefold. In addition, the group has had to cope with an unspecified loss of about £4m on a U.S. commodity trading operation and there have been other troubles too. Trading activities in Continental Europe have lost money in the latter part of the year and there have been sizeable losses in the chemical and industrial sectors. A write-off on a Sudanese agricultural project has been taken below the line.

All this has left a mark on the balance sheet in a period when the group has been expanding some of its trade financing activities quite vigorously. Gross borrowings have risen to about £140m, and although a large part of this debt is trade related, the interest charge on no-trading debt has climbed to £7.5m and is covered less than 1.4 times by profits. Tangible net worth a year ago was around £43m. So it is not hard to see why the group has been a willing seller of its shares in Linfood and Greencoat, for nearly £15m.

It has also got rid of some of its troublespots, especially on the industrial side, which taken together lost £1.1m last year. And although commodity activities remain dull, a useful measure of profits recovery is clearly on the cards this year.

However Guinness Peat intends to be more conservative in terms of dividend cover in the future, and it seems unlikely that the dividend cut be quickly recouped. The shares yield 6.9 per cent at 84p, which may not be enough.

Sudden death

To the familiar sound of bolts being drawn across stable doors, the Stock Exchange, the Council for the Securities Industry and the Takeover Panel are to "think through" the implications of sudden death takeovers following the capture of Guthrie last Monday. The S.E. chairman seems inclined to blame it all on the shortage of sleepy small shareholders, which suggests he has given up hope of curbing institutional fund managers' willingness to sell out at a moment's notice.

Everyone seems to agree that it would be desirable to avoid more rules and restrictions, which usually throw up new problems before long. For example, the CSI's rules on the conduct of a dawn raid make it cumbersome to buy 30 per cent of a company. A bidder must stop at 15 per cent and make a formal tender offer: so far only Allianz, in the case of Eagle Star, has bothered to go through with this rigmarole.

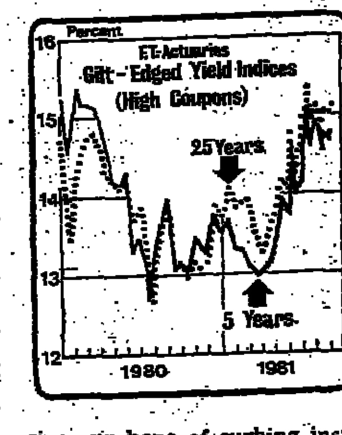
But it is easy to make a full bid, by buying 15 per cent, announcing a price, and buying on. By proclaiming that the price will not be increased (to comply with another ruling, this time from the Takeover Panel, designed to reduce bluff) the bidder can put even more pressure on fund managers. Unless a bid from some other quarter seems likely, through selling in the market the fund can guarantee performance and protect itself against any hitch in the bid later on.

It might seem superficially attractive to extend the 15 per cent rule by making all bidders—whether they want to end up with 30 or 100 per cent—pause at 15 per cent and allow the defence to speak up. But that would not go to the cause of the problem. The CSI would do better to tell pension fund trustees that if their fund managers continue to behave in the present way they are positively inviting direction of investment.

Discount houses

As well as having to find their way round the Bank of England's new monetary control system, the discount houses are facing the more familiar problem of upward pressure on interest rates. The discount market has been cutting its holdings of fixed-rate gilt-edged stocks, not without a certain amount of blood-letting and Allen Harvey and Ross, in yesterday's interim statement, hinted at gilt-edged losses in the second quarter of the year to February after profits in the first.

Index rose 4.8 to 553.4



But running margins in the bill business have been good, since the Bank of England's policy of holding down very short-term rates has meant supplying cheap money to the houses. Overall, Allen Harvey has probably made first half profits at roughly the same level of a year ago and the interim dividend—partly in order to reduce disparity with the final—has been raised by 20 per cent.

The Bank's new system seems to be favouring the big houses, Union and Gerrard, at the expense of the smaller ones. These cannot be so sure that the Bank will deal with them, because they carry only a small amount of any one day's credit shortage, and they must therefore offer bills to the Bank at rather careful prices. General grounds of quality explain why Union and Gerrard shares yield 7.5 per cent and the other houses something over 10 per cent: Allen Harvey shares, up 10p yesterday at 335p, yield 11 per cent. The sector as a whole is unusually weak against the equity market in general, but then so are gilt-edged.

BSR

BSR had forecast another loss for the first half of 1981, and the news that it has instead made a profit of £2.8m caught the market by surprise. The shares jumped 11p to 75p on the news. The strength of the dollar has obviously had a major impact, both on the UK record changer business, which sells a major part of its output to the U.S., and on the rapidly growing electronics activities in the Far East. But it is difficult to be too precise about the underlying trend, given the scale of the group's write-offs last year.

The Far Eastern operations, which are the key to the future of the reshaped BSR, are living up to their ambitious growth targets, and BSR seems set for further recovery. Yet the market capitalisation is already about £87m, compared with sales in the first six months of £67m, and sooner or later BSR may want to rebuild its balance sheet.

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